

**CITY OF SYRACUSE, NEW YORK**

**Financial Statements as of  
June 30, 2023**

**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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## INDEPENDENT AUDITOR'S REPORT

March 28, 2024

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

### Report on the Audit of the Financial Statements

#### ***Opinions***

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 of the City of Syracuse, New York (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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 of the City of Syracuse, New York, as of June 30, 2023, 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.

We did not audit the financial statements of Syracuse Industrial Development Agency, Syracuse Economic Development Corporation and Syracuse Regional Airport Authority, which represent 97% of the assets, 96% of the net position and 94% of the revenues of the aggregate discretely presented component units as of June 30, 2023 and the respective changes in financial position for the year then ended. 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.

#### ***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 the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison 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.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the 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 March 28, 2024, 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, 2023**

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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, 2023.

Please read it in conjunction with the City's basic financial statements, including the notes to the financial statements, which begin on page 32. 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 \$2,231,094 exceeded total assets and deferred outflows of \$2,126,875 resulting in a deficit of \$104,219 (total net position).
- Total net position at June 30, 2023 consisted of a negative unrestricted deficit of \$844,088 which is partially offset by positive net position balances of \$664,163 of net investment in capital assets and \$75,707 of restricted net position.
- Total general and program revenues for the fiscal year ended June 30, 2023 were \$997,389 compared to total expenses of \$803,989 resulting in an increase to total net position of \$193,401 as a result of this year's operations.
- For fiscal year 2023, total revenues and expenses for governmental activities were \$961,853 compared to \$953,950 for fiscal year 2022. For the same periods, total revenue and expenses for business-type activities were \$35,536 and \$30,090, respectively.
- General Fund's revenues (including operating transfers in and other financing sources) were \$306,939 for the fiscal year while General Fund expenditures (including operating transfer out) were \$286,099 causing an increase of \$20,840 in the General Fund's fund balance.
- The total fund balance for the General Fund at June 30, 2023 is \$139,855. Of that total, \$114,579 is unassigned. The unassigned fund balance of the General Fund as a percentage of total General Fund 2023 expenditures (including operating transfer out) is 40.0%.

#### **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 18 and 19 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 20. 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 4. 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.



## CITY OF SYRACUSE, NEW YORK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2023

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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 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 20 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, 2023

- *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 24 and 25.

#### Government-wide Analysis

The City's total net position increased from a deficit balance of \$297,620 at June 30, 2022 to a deficit of \$104,219 at June 30, 2023. 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	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 593,680	\$ 765,976	\$ 18,499	\$ 19,276	\$ 612,179	\$ 785,252
Capital assets	1,028,123	1,006,103	\$ 123,069	117,086	1,151,191	1,123,189
Total assets	1,621,802	1,772,080	141,568	136,362	1,763,370	1,908,441
Total deferred outflows of resources	357,971	341,185	5,534	5,637	363,505	346,822
Total bonds payable	468,114	481,012	52,481	52,604	520,595	533,616
Other long-term liabilities	962,841	716,290	32,055	24,972	994,896	741,262
Other liabilities	172,333	193,403	3,941	2,718	176,275	196,121
Total liabilities	1,603,288	1,390,705	88,478	80,294	1,691,766	1,470,999
Total deferred inflows of resources	524,267	1,052,161	15,061	29,722	539,328	1,081,883
Net invested in capital assets	593,575	561,084	70,587	64,482	664,163	625,566
Restricted	74,881	69,155	826	474	75,707	69,629
Unrestricted (deficit)	(816,238)	(959,841)	(27,850)	(32,974)	(844,088)	(992,815)
Total net position	\$ (147,782)	\$ (329,602)	\$ 43,563	\$ 31,982	\$ (104,219)	\$ (297,620)

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, 2023, this balance was \$664,163 versus \$625,566 at June 30, 2022. 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 \$75,707 at June 30, 2023, 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 services to creditors and citizens, especially in the future. For the City, the balance of unrestricted net position as of June 30, 2023 was a deficit of \$884,088, versus a deficit at June 30, 2022 of \$992,815.

## CITY OF SYRACUSE, NEW YORK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2023

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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, 2023 was \$721,716 and related deferred inflows of resources and deferred outflows of resources were \$469,274 and \$128,099 respectively.

#### Governmental Activities

Total net position of the City's governmental activities increased from a deficit balance of \$329,602 at June 30, 2022 to a deficit balance of \$147,782 at June 30, 2023, an increase of \$181,820. Unrestricted net position increased \$143,603 from a deficit of \$959,841 at prior fiscal year-end compared to a deficit of \$816,238 at current fiscal year-end.

#### Business-Type Activities

In fiscal year 2023, total net position of City's business-type activities increased by \$11,581 with \$5,124 of that increase in unrestricted net position. Total net position increased to \$43,563 at June 30, 2023 compared to \$31,982 at prior year-end while the unrestricted deficit balance for business-type activities increased to a deficit balance of \$27,850 from a deficit balance of \$32,974 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 19. 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 \$997,389 which was an increase of \$13,348, or 1.4%, compared to prior year total revenues of \$984,041. The primary program and general revenue increases, compared to prior year revenue balances, that contributed to this increase were:

- \$14,635, or 3.1% in Unallocated state aid
- \$7,791, or 7.2% in Sales and use taxes
- \$7,484, or 7.2% in Property taxes and tax items
- \$7,182, or 2,884.2%, in Use of money and property
- \$213, or 4.9% in Other taxes
- \$126, or 0.2% in Fees, fines, and charges

These revenue increases were partially offset by decreases. Primary contributors to this decrease were :

- \$12,878, or 70.6% in Miscellaneous revenue
- \$6,077, or 14.6% in Capital grants and contributions
- \$4,195, or 2.4% in Operating grants and contributions
- \$935, or 20.9% in Unallocated federal aid

For the current year, total expenses were \$803,989 which was an increase of \$159,465, or 24.7%, compared to prior year total expenses of \$644,524. The program expense increases, compared to prior year expense balances, that contributed to this increase were:

- \$94,528, or 22.9%, in Education

**CITY OF SYRACUSE, NEW YORK**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2023**

- \$35,788, or 325.6% in General government support
- \$31,201, or 23.4% in Public Safety
- \$12,312, or 68.8% in Transportation
- \$5,643, or 520.5% in Culture and recreation
- \$4,248, or 32.9%, in Water
- \$1,374, or 52.7%, in Sewer
- \$536, or 24.6%, in Economic opportunity and development

These increases were offset by a decrease in Home and community services of \$24,209, or 60.6% and in Interest on long-term debt of \$1,955 or 12.9%.

*Table 2 - Condensed Statement of Activities - Primary Government  
(000's Omitted)*

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenue:						
Program Revenues:						
Fees, fines, and charges	\$ 20,752	\$ 22,782	\$ 31,284	\$ 29,128	\$ 52,036	\$ 51,910
Operating grants and contributions	173,349	177,544	-	-	173,349	177,544
Capital grants and contributions	31,440	40,720	4,155	952	35,595	41,672
General Revenues:						
Property taxes and tax items	113,603	106,119	-	-	113,603	106,119
Sales and use taxes	116,755	108,964	-	-	116,755	108,964
Other taxes	4,566	4,353	-	-	4,566	4,353
Unallocated state aid	485,150	470,515	-	-	485,150	470,515
Unallocated federal aid	3,548	4,483	-	-	3,548	4,483
Use of money and property	7,334	238	97	11	7,431	249
Contributions	-	-	-	-	-	-
Miscellaneous	5,357	18,235	-	-	5,357	18,235
Total revenues	<u>961,853</u>	<u>953,950</u>	<u>35,536</u>	<u>30,091</u>	<u>997,389</u>	<u>984,041</u>
Expenses:						
Program Expenses:						
General government support	46,779	10,991	-	-	46,779	10,991
Public safety	164,618	133,417	-	-	164,618	133,417
Transportation	30,212	17,900	-	-	30,212	17,900
Economic opportunity and development	(1,639)	(2,175)	-	-	(1,639)	(2,175)
Home and community services	15,720	39,929	-	-	15,720	39,929
Culture and recreation	6,727	1,084	-	-	6,727	1,084
Education	507,234	412,706	-	-	507,234	412,706
Interest on long-term debt	13,207	15,162	-	-	13,207	15,162
Water	-	-	17,149	12,901	17,149	12,901
Sewer	-	-	3,982	2,608	3,982	2,608
Total expenses	<u>782,858</u>	<u>629,014</u>	<u>21,131</u>	<u>15,509</u>	<u>803,989</u>	<u>644,524</u>
Excess of revenues over expenses	<u>178,995</u>	<u>324,936</u>	<u>14,406</u>	<u>14,582</u>	<u>193,401</u>	<u>339,514</u>
Transfers	2,825	2,825	(2,825)	(2,825)	-	-
Change in net position	<u>181,820</u>	<u>327,761</u>	<u>11,581</u>	<u>11,757</u>	<u>193,401</u>	<u>339,514</u>
Net position (deficit) - beginning*	(329,602)	(657,363)	31,982	20,226	(297,620)	(637,137)
Net position (deficit) - ending	<u>\$ (147,782)</u>	<u>\$ (329,602)</u>	<u>\$ 43,563</u>	<u>\$ 31,983</u>	<u>\$ (104,219)</u>	<u>\$ (297,623)</u>

# CITY OF SYRACUSE, NEW YORK

## MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2023

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Total revenues for the current year were in excess of total expenses resulting in a positive change in net position of \$193,401 compared to a positive change in net position of \$339,517 for the prior year, a decrease of \$146,113. Our following analysis separately considers the operations of governmental and business-type activities.

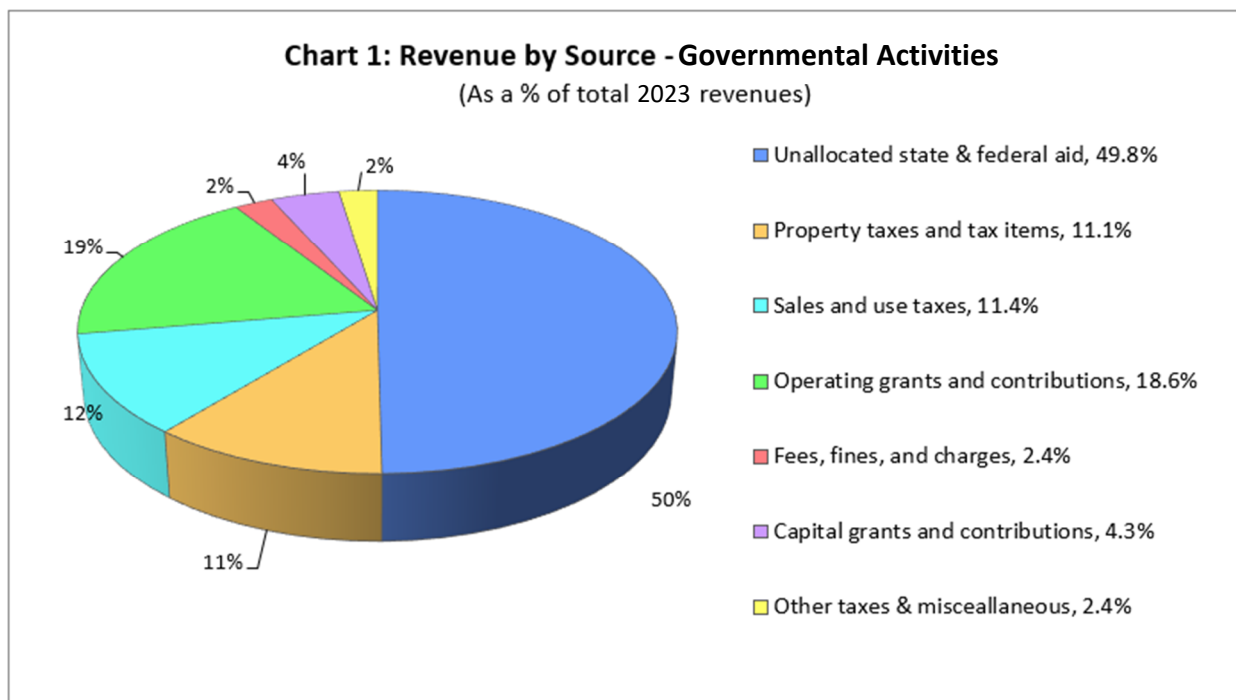
### Governmental Activities

As mentioned previously in the FINANCIAL HIGHLIGHTS section, revenues for the City’s governmental activities for the current year were \$961,853 compared to total revenues of \$953,950 in the prior year, an increase of \$7,903, or 0.8%. The primary program and general revenue increases, compared to prior year revenue balances, that contributed to this increase were:

- \$14,635 or 3.1%, in Unallocated state aid
- \$7,791, or 7.2%, in Sales and use taxes
- \$7,484, or 7.1%, in Property tax and tax items
- \$7,096, or 2981.5%, in Use of money and property

These revenue increases were partially offset by decreases in Miscellaneous revenue of \$12,875; Capital grants and contributions of \$9,280; Operating grants and contributions of \$4,195; Fees, fines, and charges of \$2,030; and Other taxes of \$213.

See *Chart 1: Revenue by Source – Governmental Activities* for the each major revenue source as a percentage of total revenues for the current year.



## CITY OF SYRACUSE, NEW YORK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2023

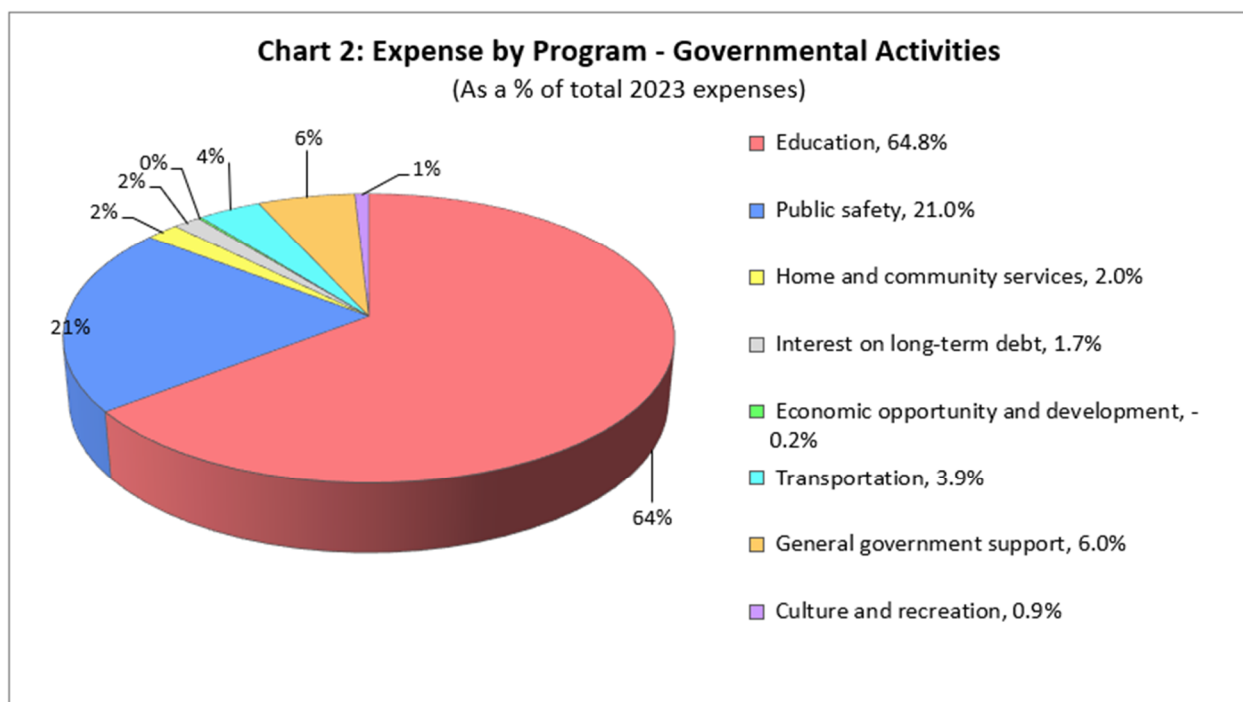
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For the current year, total program expenses for governmental activities were \$782,858 which was an increase of \$153,844, or 24.5%, compared to prior year total expenses of \$629,014. The primary program expense increases, compared to prior year expense balances, that contributed to this increase were:

- \$94,528, or 22.9%, in Education
- \$35,788, or 325.6% in General government support
- \$31,201, or 23.4% in Public Safety
- \$12,312, or 68.8% in Transportation
- \$5,643, or 520.5% in Culture and recreation
- \$536, or 24.6%, in Economic opportunity and development

These expense increases were offset by decreases in Home and community services of \$24,209, or 60.6%, compared to prior year and in Interest on long-term debt of \$1,955 or 12.9% compared to the prior year.

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 \$181,820 compared to a positive change in net position (after transfers) of \$327,761 for the prior year, a decrease of \$145,941.

#### Business-Type Activities

For the current year, total revenues for business-type activities were \$35,536 which was an increase of \$5,445, or 18.1%, compared to total revenues of \$30,091 in the prior year. Capital grants and contributions increased \$3,203, or 336.5%, compared to prior year.

## CITY OF SYRACUSE, NEW YORK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2023

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For the current year, total program expenses for business-type activities were \$21,131 which was an increase of \$5,622, or 36.2%, compared to prior year total expenses of \$15,510. Sewer and Water expenses increased \$1,374, or 52.7%, and \$4,248, or 32.9%, 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 \$11,581 compared to a positive change in net position (after transfers) of \$11,757 in the prior year, a decrease of \$176.

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

#### 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, 2023, the City's Total Governmental Funds' fund balance is \$408,720, which is a 16.71% increase from last year's total of \$350,208. The \$58,512 increase in total fund balance is primarily due to:

- \$34,707 increase in City School District General Fund
- \$20,840 increase in General Fund
- \$8,328 increase in Nonmajor Governmental Funds

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

- \$5,433 decrease in Joint Schools Construction Board

Of the total \$408,720 in Total Governmental Funds' fund balance, \$113,006 of fund balance is available for spending at the government's discretion (unassigned fund balance). \$74,881 of fund balance is subject to external, legally enforceable restrictions on its use (restricted) while \$218,981 is allocated by ordinance or through intent to be used for specific purposes (committed and assigned). The remainder of \$1,852 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 \$114,579 while total fund balance was \$139,855. 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 \$286,099 is 40.0% while the General Fund's total fund balance represents 48.9% of that same amount. The City's General Fund's fund balance increased by \$20,840 during the current year. The adopted budget for the fiscal year ended June 30, 2023, budgeted a net deficiency of \$15,631, 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.

## CITY OF SYRACUSE, NEW YORK

### MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2023

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- *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 \$188,874 compared to a combined total fund balance of \$154,096 in the prior year. The increase of \$34,778 in fund balance for the two Special Revenue funds in the current year is due to higher total revenues (including other financing sources) of \$597,581 compared to lower expenditures (including other financing uses) of \$548,503.
- *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 \$49,022. 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 \$7,026 in both revenues and expenditures while the fund recorded \$10,658 in the prior fiscal year for revenues and expenditures. At June 30, 2023, total assets and liabilities of the fund were \$19,204 while at the end of the previous fiscal year, total assets and total liabilities were \$18,246.

**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 \$43,563, an increase of \$11,581, compared to the prior year end balance of \$31,982. For the current year, the Water and Sewer Funds had an increase in net position \$10,564 and \$1,017, 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, 2023 was \$125,088, an increase of \$15,470 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, 2023, included estimated revenues and annual appropriations of \$279,519.



**CITY OF SYRACUSE, NEW YORK**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2023**

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 \$279,519, utilizing none of the fund balance. Please refer to page 84 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 an excess for the current year of \$20,840, as compared to a final adopted budget with a projected deficit of \$15,631. This favorable variance of \$36,471 was driven by a number of increases in projected revenues as well as decreases in budgeted expenditures.

For the current year, total General Fund revenues were \$286,281 which was \$9,684, or 3.5%, higher than the budgeted total revenues for 2023 of \$276,597. The primary revenues with favorable variances, compared to the current year budget, were:

- \$4,810, or 4372.7%, in Use of money and property
- \$3,439 or 3.1% in Sales and use taxes
- \$1,627, or 13.5% in Departmental revenues

The primary revenues with unfavorable variances, compared to the current year budget, were:

- \$1,707, or 3.6%, in General property taxes and tax items
- \$822, or 68.0%, in Sale of property and compensation for loss

Offsetting favorable and unfavorable variances for the other revenues, compared to the budget, comprise the remaining favorable variance of \$2,338.

	2023		2023
	General Fund	Actual	Budget
Total revenues	\$ 286,280,875	\$ 286,281	\$ 276,597
Total expenditures	254,498,702	254,499	263,021
Excess (deficiency) of revenues over expenditures	31,782,173	31,782	13,576
Other financing sources	17,735,009	17,735	-
Operating transfers in	2,922,714	2,923	2,923
Operating transfers out	(31,551,546)	(31,552)	(32,130)
Total other financing sources (uses)	(10,893,823)	(10,894)	(29,207)
Effect of Encumbrances	(48,318)		
Change in fund balance	\$ 20,840,032	\$ 20,840	\$ (15,631)

For the current year, total General Fund expenditures were \$254,499 which was \$8,522, or 3.2%, lower than the budgeted total expenditures for 2023 of \$263,021. The primary expenditures with favorable 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, 2023

- \$13,392, or 7.9%, in Public safety
- \$4,052, or 17.0%, in Transportation
- \$2,548, or 15.8%, in Home and community services
- \$1,937, or 13.8%, in Culture and recreation
- \$295, or 100%, in Interest on debt

There is an offsetting unfavorable variance of \$13,703 or 34.3% in General government support, compared to the budget.

#### 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 \$1,151,191 compared with the previous year-end amount of \$1,123,189. 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, 2023 were \$1,028,123 compared to \$1,006,103 at prior year-end. For the City's business-type activities, Net capital assets at June 30, 2023 were \$123,069 compared to a balance of \$117,086 at the end of the prior year.

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 Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 18,768	\$ 18,768	\$ 4,485	\$ 4,485	\$ 23,253	\$ 23,253
Buildings	586,836	406,183	505	550	587,341	406,732
Machinery and equipment	24,189	25,412	1,068	1,994	25,257	27,407
Improvements/infrastructure	228,475	193,064	93,369	97,097	321,845	290,161
Construction in progress	168,776	361,542	23,640	12,960	192,416	374,501
Right-to-use leased assets	1,070	1,134	-	-	1,070	1,134
SBITAs	9	-	-	-	9	-
<b>Total capital assets, net</b>	<b>\$ 1,028,123</b>	<b>\$ 1,006,103</b>	<b>\$ 123,069</b>	<b>\$ 117,086</b>	<b>\$ 1,151,191</b>	<b>\$ 1,123,189</b>

**CITY OF SYRACUSE, NEW YORK**

**MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2023**

**Long-Term Debt**

At the end of the current year, the City had \$537,590 in total debt compared to \$533,616 at the end of the prior year, a decrease of \$3,973, or 0.74%. See Table 5 – Outstanding Debt – Primary Government below for a breakdown of bonds and notes by governmental activities and business-type activities.

*Table 5 - Outstanding Debt - Primary Government  
(000's Omitted)*

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
General obligation bonds payable - City	\$ 163,741	\$ 148,789	\$ 30,026	\$ 28,979	\$ 193,767	\$ 177,768
General obligation bonds payable - District	304,373	332,223	-	-	304,373	332,223
Constructions bonds payable - City	-	-	22,455	23,625	22,455	23,625
Revenue anticipation notes - City	-	-	-	-	-	-
Revenue anticipation notes - District	16,995	-	-	-	16,995	-
<b>Total debt</b>	<b>\$485,108</b>	<b>\$481,012</b>	<b>\$52,481</b>	<b>\$52,604</b>	<b>\$537,590</b>	<b>\$533,616</b>

With respect to City general obligation bonds, total new debt issued during the year was \$36,358. Proceeds were used to finance capital expenditures and repay BAN. Projects funded with these proceeds are as follows:

Purpose	The Bonds
16/17 Garage Elevator Upgrades	\$1,250,000
20/21 DPW MEM Garage Wash Bay	150,000
City Hall Asbestos Abatement	105,000
Parks Infrastructure FY21	260,000
17/18 City-Wide Retaining Wall	125,000
19/20 PSAP Project	60,000
Fire Department Training Tower	1,588,000
2022/23 Tree Planting	160,000
Amending - Creekwalk Improvement	307,000
Amending - 2022/23 Parks Roads/Sidewalks	350,000
Southside Community Parks	300,000
Towers Realty LR LTD	17,500,000
2022/23 Police Depatement Radio	850,000
Amending - 2022/23 Tree Pit Enhancement	470,000
2022/23 Court Improvement Projects	150,000
Amending - East Colvin Street Paving Project	178,000
2022/23 Police Dept. Technology Upgrade	305,000
2022/23 City Owned Building	300,000
2022/23 Parks Maintenance Eq. Capital	180,000
2022/23 Parks Bandwagon and Mobile Stage	100,000
2022/23 Stone Walls and Steps	150,000
2022/23 DPW Plan-Traffic Mgmt. Center	80,000
2022/23 Downtown Parks Impt.	150,000
2022/23 Parks Pools Imp. Project	300,000
Erie Boulevard West Pedestrian Bridge and Bike	134,000
2023/24 Water Main Replacement Project	4,500,000
2023/24 Fire Department Vehicle Repl. Porgram	1,545,000
2022/23 Parks Facility Impr. Project	160,000
2022/23 Parks Office Facility	40,000
2022/23 Parks and Recreation Vehicles	150,000
West Genesee Street (Salina to City Line)	143,150
Fire Department frontline aerial apparatus	140,000
Fire Engine-SES Repairs	100,000
2023/24 DPW Capital Equipment & Vehicles	1,925,000
2023/24 Cold Brook Capital Impr. Plan	800,000
2023/24 Genesee Dig Once Capital Imp. Program	165,000
Creekwalk 3 West Colvin to Dorwin Design Phases	387,600
One Park Place Furniture	800,000
	<b>\$36,357,750</b>

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

### **MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR THE YEAR ENDED JUNE 30, 2023**

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The City had a rating of A1 from Moody's Investors Service at June 30, 2023.

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 \$515,881, 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
- 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, 2024 fiscal year budget, the City portion of the property tax levy increased by \$6,732, from \$40,851 in fiscal year 2023 to \$47,583 in fiscal year 2024. The School District portion of the levy was unchanged in fiscal year 2024 at \$67,946. The actual combined property tax levy of the City and School District increased to \$115,529 compared with the previous year of \$108,797. The City and School District combined property tax rate for fiscal year 2024 is \$27.7071 per \$1,000 of assessed property value (\$11.4682 for the City and \$16.2389 for the School District).

Revenues for fiscal year 2024 are projected to increase \$19,014, or 5.8%, compared to the previous year's budget and expenditures are projected to increase \$18,916, or 5.7%, compared to the prior year's budget. Both the City General Fund's and School District's fiscal year 2024 budget exclude any provision to use fund balance in the fiscal year

#### **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.

**CITY OF SYRACUSE, NEW YORK**

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEAR ENDED JUNE 30, 2023**

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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, 2023

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS</b>				
Cash, cash equivalents and investments	\$ 280,871,745	\$ 12,652,671	\$ 293,524,416	\$ 63,087,502
Accounts receivable, net	7,123,083	5,201,208	12,324,291	2,940,348
Restricted cash, cash equivalents and investments	110,738,838	825,634	111,564,472	39,902,484
Loans receivable - current portion	15,734,792	-	15,734,792	818,772
Notes receivable - current portion	-	-	-	2,200
Lease receivable - current portion	1,178,829	-	1,178,829	1,216,472
Other receivable	10,011,799	-	10,011,799	360,620
Taxes receivable, net	7,816,354	-	7,816,354	-
Internal balances	194,725	(194,725)	-	-
Due from fiduciary fund	26	-	26	-
Due from other governments	157,735,921	14,371	157,750,292	-
Due from component units, net	323,000	-	323,000	-
Inventory	1,580,446	-	1,580,446	664,237
Prepaid expenses and other assets	276,071	-	276,071	1,424,556
Loans receivable, net of current portion	-	-	-	4,903,700
Notes receivable, net of current portion	-	-	-	4,370,311
Lease receivable, net of current portion	94,200	-	94,200	8,902,257
Capital assets, non-depreciable	187,543,551	28,125,190	215,668,741	19,063,988
Capital assets, depreciable, net	<u>840,579,014</u>	<u>94,943,387</u>	<u>935,522,401</u>	<u>41,827,891</u>
Total assets	<u>1,621,802,394</u>	<u>141,567,736</u>	<u>1,763,370,130</u>	<u>189,485,338</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows - debt refunding	529,717	224,986	754,703	-
Deferred outflows - OPEB	125,395,462	2,703,757	128,099,219	3,168,758
Deferred outflows - pensions	<u>232,045,848</u>	<u>2,605,268</u>	<u>234,651,116</u>	<u>3,745,583</u>
Total deferred outflows of resources	<u>357,971,027</u>	<u>5,534,011</u>	<u>363,505,038</u>	<u>6,914,341</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	50,390,124	3,456,809	53,846,933	7,822,038
Accrued interest	2,943,625	234,256	3,177,881	-
Due to other governments	1,440,867	-	1,440,867	-
Amounts due to retirement systems	33,967,878	250,357	34,218,235	-
Unearned revenue	47,482,720	-	47,482,720	4,269,453
Due to primary government	-	-	-	323,000
Loans payable	15,584,792	-	15,584,792	-
Bond anticipation notes payable	16,994,585	-	16,994,585	-
Other liabilities	3,528,514	-	3,528,514	-
Due to fiduciary funds	-	-	-	-
Long-term liabilities - due within one year	58,731,200	6,538,330	65,269,530	2,249,974
Long-term liabilities - due in more than one year	<u>1,372,223,748</u>	<u>77,998,315</u>	<u>1,450,222,063</u>	<u>55,560,959</u>
Total liabilities	<u>1,603,288,053</u>	<u>88,478,067</u>	<u>1,691,766,120</u>	<u>70,225,424</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows - lottery aid	12,950,000	-	12,950,000	-
Deferred inflows - OPEB	454,573,024	14,700,816	469,273,840	9,723,862
Deferred inflows - pensions	22,338,029	360,064	22,698,093	314,685
Deferred inflows - leases	<u>34,406,058</u>	<u>-</u>	<u>34,406,058</u>	<u>10,118,729</u>
Total deferred inflows of resources	<u>524,267,111</u>	<u>15,060,880</u>	<u>539,327,991</u>	<u>20,157,276</u>
<b>NET POSITION</b>				
Net investment in capital assets	593,575,201	70,587,333	664,162,534	22,103,128
Restricted	74,880,977	825,634	75,706,611	39,044,830
Unrestricted	<u>(816,237,921)</u>	<u>(27,850,167)</u>	<u>(844,088,088)</u>	<u>44,869,021</u>
Total net position	<u>\$ (147,781,743)</u>	<u>\$ 43,562,800</u>	<u>\$ (104,218,943)</u>	<u>\$ 106,016,979</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, 2023

	Program Revenues				Net (Expense) Revenue and Changes in Net Position Primary Government			Component Units	
	Expenses	Fees, Fines and Charges	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total		
PRIMARY GOVERNMENT:									
Governmental Activities:									
General government support	\$ 46,779,111	\$ 1,959,695	\$ 3,883,528	\$ -	\$ (40,935,888)	\$ -	\$ (40,935,888)	\$ -	
Public safety	164,618,213	8,968,315	18,544,814	-	(137,105,084)	-	(137,105,084)	-	
Transportation	30,211,855	5,965,272	-	23,663,047	(583,536)	-	(583,536)	-	
Economic opportunity and development	(1,638,966)	800	426,085	-	2,065,851	-	2,065,851	-	
Home and community services	15,720,217	2,697,694	13,744,020	7,776,876	8,498,373	-	8,498,373	-	
Culture and recreation	6,726,670	776,850	817,651	-	(5,132,169)	-	(5,132,169)	-	
Education	507,234,356	383,282	135,932,764	-	(370,918,310)	-	(370,918,310)	-	
Interest on long-term debt	13,206,529	-	-	-	(13,206,529)	-	(13,206,529)	-	
Total governmental activities	<u>782,857,985</u>	<u>20,751,908</u>	<u>173,348,862</u>	<u>31,439,923</u>	<u>(557,317,292)</u>	<u>-</u>	<u>(557,317,292)</u>	<u>-</u>	
Business-Type Activities:									
Water	17,148,764	25,920,347	-	3,995,550	-	12,767,133	12,767,133	-	
Sewer	<u>3,981,839</u>	<u>5,364,040</u>	<u>-</u>	<u>159,741</u>	<u>-</u>	<u>1,541,942</u>	<u>1,541,942</u>	<u>-</u>	
Total business-type activities	<u>21,130,603</u>	<u>31,284,387</u>	<u>-</u>	<u>4,155,291</u>	<u>-</u>	<u>14,309,075</u>	<u>14,309,075</u>	<u>-</u>	
TOTAL PRIMARY GOVERNMENT	<u>\$ 803,988,588</u>	<u>\$ 52,036,295</u>	<u>\$ 173,348,862</u>	<u>\$ 35,595,214</u>	<u>(557,317,292)</u>	<u>14,309,075</u>	<u>(543,008,217)</u>	<u>-</u>	
COMPONENT UNITS:									
Syracuse Industrial Development Agency	\$ 938,016	\$ 452,842	\$ 735,368	\$ -	-	-	-	250,194	
Syracuse Economic Development Corporation	185,252	42,920	2,717,267	-	-	-	-	2,574,935	
Syracuse Regional Airport Authority	53,595,506	58,472,760	-	12,522,840	-	-	-	17,400,094	
Greater Syracuse Property Development Corporation	<u>5,572,898</u>	<u>1,443,748</u>	<u>4,216,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>87,759</u>	
TOTAL COMPONENT UNITS	<u>\$ 60,291,672</u>	<u>\$ 60,412,270</u>	<u>\$ 7,669,544</u>	<u>\$ 12,522,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,312,982</u>	
					Property taxes and tax items	113,602,546	-	113,602,546	-
					Sales and use taxes	116,755,291	-	116,755,291	-
					Other taxes	4,565,805	-	4,565,805	-
					Unallocated state aid	485,149,637	-	485,149,637	-
					Unallocated federal aid	3,547,576	-	3,547,576	-
					Use of money and property	7,334,068	96,684	7,430,752	1,009,733
					Contributions	-	-	-	151
					Miscellaneous	5,357,304	-	5,357,304	-
					Transfers	<u>2,825,000</u>	<u>(2,825,000)</u>	<u>-</u>	<u>-</u>
					Total general revenues and transfers	<u>739,137,227</u>	<u>(2,728,316)</u>	<u>736,408,911</u>	<u>1,009,884</u>
					Changes in net position	181,819,935	11,580,759	193,400,694	21,322,866
					NET POSITION - beginning of year	<u>(329,601,678)</u>	<u>31,982,041</u>	<u>(297,619,637)</u>	<u>84,694,113</u>
					NET POSITION - end of year	<u>\$ (147,781,743)</u>	<u>\$ 43,562,800</u>	<u>\$ (104,218,943)</u>	<u>\$ 106,016,979</u>

The accompanying notes are an integral part of these statements.

**CITY OF SYRACUSE, NEW YORK**

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

	Special Revenue					Total Governmental Funds
	General Fund	Joint Schools	City School	City School	Nonmajor	
		Construction Board	District Fund	District Aid Fund	Governmental Funds	
<b>ASSETS</b>						
Cash, cash equivalents and investments	\$ 105,747,611	\$ -	\$ 168,689,826	\$ -	\$ 6,434,308	\$ 280,871,745
Restricted cash and cash equivalents	46,801,974	12,527,945	3,407,962	-	48,000,957	110,738,838
Loans receivable	-	-	-	-	15,734,792	15,734,792
Accounts receivable	2,968,062	-	-	-	4,155,021	7,123,083
Other receivable	-	19,804	2,250,181	7,731,073	10,741	10,011,799
Taxes receivable, net	4,156,920	-	3,528,912	-	130,522	7,816,354
Due from other funds	9,396,599	-	17,845,033	-	18,269,505	45,511,137
Due from other governments	59,786,700	-	43,089,818	31,121,880	23,737,523	157,735,921
Inventory	-	-	950,760	-	629,686	1,580,446
Prepays and other assets	-	-	261,274	-	14,797	276,071
Lease receivable	1,273,029	-	-	-	-	1,273,029
<b>Total assets</b>	<b>\$ 230,130,895</b>	<b>\$ 12,547,749</b>	<b>\$ 240,023,766</b>	<b>\$ 38,852,953</b>	<b>\$ 117,117,852</b>	<b>\$ 638,673,215</b>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable and accrued expenses	\$ 8,281,795	\$ 80,015	\$ 23,957,966	\$ 9,034,289	\$ 9,036,059	\$ 50,390,124
Due to other funds	-	6,057,356	-	27,525,370	11,410,660	44,993,386
Due to other governments	135	-	966	1,385,403	54,363	1,440,867
Amounts due to retirement systems	7,304,409	-	26,663,469	-	-	33,967,878
Self-insurance claims	6,225,001	-	787,183	-	-	7,012,184
Unearned revenue	44,446,580	-	-	-	3,036,140	47,482,720
Loans payable	-	-	-	-	15,584,792	15,584,792
Bond anticipation notes payable	16,994,585	-	-	-	-	16,994,585
Other liabilities	2,797,363	-	-	648,155	82,996	3,528,514
<b>Total liabilities</b>	<b>86,049,868</b>	<b>6,137,371</b>	<b>51,409,584</b>	<b>38,593,217</b>	<b>39,205,010</b>	<b>221,395,050</b>
<b>Deferred inflows of resources:</b>						
Deferred inflows - unavailable revenue	2,953,152	-	-	-	4,331,954	7,285,106
Deferred inflows - leases	1,273,029	-	-	-	-	1,273,029
<b>Total deferred inflows of resources</b>	<b>4,226,181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,331,954</b>	<b>8,558,135</b>
<b>Fund Balance:</b>						
Nonspendable	-	-	1,212,034	-	639,686	1,851,720
Restricted	1,677,635	6,410,378	3,407,962	259,736	63,125,266	74,880,977
Committed	-	-	49,115,185	-	11,389,245	60,504,430
Assigned	23,597,912	-	134,879,001	-	-	158,476,913
Unassigned	114,579,299	-	-	-	(1,573,309)	113,005,990
<b>Total fund balance</b>	<b>139,854,846</b>	<b>6,410,378</b>	<b>188,614,182</b>	<b>259,736</b>	<b>73,580,888</b>	<b>408,720,030</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 230,130,895</b>	<b>\$ 12,547,749</b>	<b>\$ 240,023,766</b>	<b>\$ 38,852,953</b>	<b>\$ 117,117,852</b>	<b>\$ 638,673,215</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, 2023

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Total fund balances for governmental funds	\$	408,720,030
Total net position reported for governmental activities in the Statement of Net Position is different because:		
Capital assets (including right-to-use lease assets), net of associated accumulated depreciation and amortization, used in governmental activities are not financial resources and therefore are not reported in the funds		
		869,901,222
Pension obligation activity:		
Net pension liability/asset		(192,203,930)
Deferred outflows of resources		232,045,848
Deferred inflows of resources		(22,338,029)
Other postemployment benefit activity:		
Total other postemployment benefit liability		(696,840,680)
Deferred outflows of resources		125,395,462
Deferred inflows of resources		(454,573,024)
Revenue collected after year end and not available to pay for current year expenditures and deferred in funds		7,285,106
Long-term liabilities, including bonds payable, lease liabilities, 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		(534,898,154)
Deferred charges relating to debt refunding not reported in the funds		529,717
Deferred inflows related to District lottery aid not reported in the funds		(12,950,000)
Accrued interest not reported in the funds		(2,943,625)
The assets and liabilities of the Internal Service Fund are included in Governmental Activities in the Statement of Net Position		<u>125,088,314</u>
Total net position of governmental activities	\$	<u>(147,781,743)</u>

CITY OF SYRACUSE, NEW YORK

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

	General Fund	Special Revenue			Nonmajor Governmental Funds	Total Governmental Funds
		Joint Schools Construction Board	City School District General Fund	City School District Special Aid Fund		
<b>REVENUES:</b>						
General property taxes and tax items	\$ 46,297,205	\$ -	\$ 63,689,444	\$ -	\$ 4,645,495	\$ 114,632,144
Sales and use taxes	115,788,545	-	966,746	-	-	116,755,291
Other local taxes	3,532,213	-	-	-	1,033,592	4,565,805
Departmental revenues	13,653,829	-	-	-	-	13,653,829
Intergovernmental charges	253,721	-	-	-	-	253,721
Licenses and permits	2,891,234	-	-	-	-	2,891,234
Fines and forfeitures	4,154,552	-	-	-	-	4,154,552
Sale of property and compensation for loss	386,937	-	32,417	-	370	419,724
Use of money and property	4,919,983	196,807	2,080,899	-	210,111	7,407,800
Federal and state aid and other grants	94,229,417	724,748	409,981,006	119,463,392	59,704,356	684,102,919
Pass-through New York State funding from District	-	34,616,586	-	-	-	34,616,586
Surplus food	-	-	-	-	908,689	908,689
Sales-School Food Service program	-	-	-	-	98,850	98,850
Other revenues	173,239	457,179	1,367,137	-	2,043,943	4,041,498
<b>Total revenues</b>	<b>286,280,875</b>	<b>35,995,320</b>	<b>478,117,649</b>	<b>119,463,392</b>	<b>68,645,406</b>	<b>988,502,642</b>
<b>CURRENT EXPENDITURES:</b>						
General government support	53,672,758	-	-	-	4,948,729	58,621,487
Public safety	155,423,955	-	-	-	1,904,446	157,328,401
Transportation	19,799,943	-	-	-	8,079,729	27,879,672
Economic opportunity and development	-	-	-	-	664,337	664,337
Home and community services	13,591,689	-	-	-	13,743,745	27,335,434
Culture and recreation	12,058,675	-	-	-	768,946	12,827,621
Education	-	-	407,336,987	112,992,125	157,280	520,486,392
Principal debt payments	-	20,575,000	638,186	-	19,096,482	40,309,668
Interest on debt	-	13,075,613	8,411	-	5,117,009	18,201,033
Capital outlays	-	7,053,236	60,507	-	43,472,437	50,586,180
Food Service Program	-	-	-	-	16,636,556	16,636,556
Pass-through New York State funding to JSCB	-	-	34,616,586	-	-	34,616,586
<b>Total expenditures</b>	<b>254,547,020</b>	<b>40,703,849</b>	<b>442,660,677</b>	<b>112,992,125</b>	<b>114,589,696</b>	<b>965,493,367</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>31,733,855</b>	<b>(4,708,529)</b>	<b>35,456,972</b>	<b>6,471,267</b>	<b>(45,944,290)</b>	<b>23,009,275</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Bond proceeds	17,500,000	-	-	-	13,235,230	30,735,230
Premium on issuance of BANs	235,009	-	-	-	-	235,009
Premium on bonds	-	-	-	-	1,123,893	1,123,893
Proceeds from leases/SBITAs	-	-	60,507	-	523,541	584,048
Operating transfers in	2,922,714	-	7,613,375	215,329	43,950,158	54,701,576
Operating transfers out	(31,551,546)	(724,748)	(8,423,730)	(6,615,482)	(4,561,070)	(51,876,576)
<b>Total other financing sources (uses)</b>	<b>(10,893,823)</b>	<b>(724,748)</b>	<b>(749,848)</b>	<b>(6,400,153)</b>	<b>54,271,752</b>	<b>35,503,180</b>
<b>CHANGE IN FUND BALANCE</b>	<b>20,840,032</b>	<b>(5,433,277)</b>	<b>34,707,124</b>	<b>71,114</b>	<b>8,327,462</b>	<b>58,512,455</b>
<b>FUND BALANCE - beginning of year</b>	<b>119,014,814</b>	<b>11,843,655</b>	<b>153,907,058</b>	<b>188,622</b>	<b>65,253,426</b>	<b>350,207,575</b>
<b>FUND BALANCE - end of year</b>	<b>\$ 139,854,846</b>	<b>\$ 6,410,378</b>	<b>\$ 188,614,182</b>	<b>\$ 259,736</b>	<b>\$ 73,580,888</b>	<b>\$ 408,720,030</b>

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, 2023**

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Net change in fund balances - total governmental funds \$ 58,512,455

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 or amortization expense. This is the amount by which capital outlays exceeded depreciation or amortization expense and losses on disposals in the current period. 26,582,547

Bond proceeds and premiums, as well as lease liabilities, 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. 12,540,901

Governmental activities recognize revenue based on economic resource measurement. Fund activities utilize current financial resources. This is the amount of revenues reported in the statement of activities, but not reported as revenue in the governmental funds. (1,572,677)

Pension income (expense) resulting from pension obligation is not recorded in the governmental funds but is recorded in the Statement of Activities. (30,015,601)

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. 101,229,718

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. (2,029,452)

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. 85,091

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

Net revenue of the Internal Service Fund is reported with Governmental Activities. 15,470,286

Net change in net position of governmental activities \$ 181,819,935

The accompanying notes are an integral part of these statements.

CITY OF SYRACUSE, NEW YORK

Statement of Net Position - Proprietary Funds  
June 30, 2023

	Business-type Activities			Governmental
	Water	Sewer	Total	Internal Service Fund
<b>ASSETS</b>				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 10,347,456	\$ 2,305,215	\$ 12,652,671	\$ -
Accounts receivable, net	4,217,302	983,906	5,201,208	-
Due from other governments	-	14,371	14,371	-
Due from component unit	-	-	-	323,000
Total current assets	<u>14,564,758</u>	<u>3,303,492</u>	<u>17,868,250</u>	<u>323,000</u>
NONCURRENT ASSETS:				
Restricted cash and cash equivalents	825,634	-	825,634	-
Capital assets, non-depreciable	26,794,117	1,331,073	28,125,190	2,497,904
Capital assets, depreciable, net	<u>81,882,369</u>	<u>13,061,018</u>	<u>94,943,387</u>	<u>155,723,439</u>
Total noncurrent assets	<u>109,502,120</u>	<u>14,392,091</u>	<u>123,894,211</u>	<u>158,221,343</u>
Total Assets	<u>124,066,878</u>	<u>17,695,583</u>	<u>141,762,461</u>	<u>158,544,343</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - debt refunding	176,164	48,822	224,986	-
Deferred outflows - OPEB	1,605,365	1,098,392	2,703,757	-
Deferred outflows - pensions	<u>1,841,741</u>	<u>763,527</u>	<u>2,605,268</u>	-
Total Deferred Outflows of Resources	<u>3,623,270</u>	<u>1,910,741</u>	<u>5,534,011</u>	-
LIABILITIES				
CURRENT LIABILITIES:				
Accounts payable and accrued expenses	2,713,704	743,105	3,456,809	-
Accrued interest	214,773	19,483	234,256	-
Due to other funds	189,430	5,295	194,725	323,000
Current portion of bonds payable	4,596,567	517,105	5,113,672	-
Amounts due to retirement systems	183,209	67,148	250,357	-
Self-insurance claims	<u>1,016,710</u>	<u>407,948</u>	<u>1,424,658</u>	-
Total current liabilities	<u>8,914,393</u>	<u>1,760,084</u>	<u>10,674,477</u>	<u>323,000</u>
NONCURRENT LIABILITIES:				
Bonds payable - net of current portion	46,317,541	1,050,031	47,367,572	-
Accrued compensated absences	462,096	196,315	658,411	-
Self-insurance claims	748,306	304,039	1,052,345	-
Net pension liabilities	2,859,102	1,185,293	4,044,395	-
Total other postemployment benefits	<u>15,284,575</u>	<u>9,591,017</u>	<u>24,875,592</u>	-
Total noncurrent liabilities	<u>65,671,620</u>	<u>12,326,695</u>	<u>77,998,315</u>	-
Total Liabilities	<u>74,586,013</u>	<u>14,086,779</u>	<u>88,672,792</u>	<u>323,000</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - OPEB	8,223,530	6,477,286	14,700,816	-
Deferred inflows - pensions	254,540	105,524	360,064	-
Deferred inflows - leases	-	-	-	33,133,029
Total Deferred Inflows of Resources	<u>8,478,070</u>	<u>6,582,810</u>	<u>15,060,880</u>	<u>33,133,029</u>
NET POSITION:				
Net investment in capital assets	57,762,378	12,824,955	70,587,333	158,221,343
Restricted	825,634	-	825,634	-
Unrestricted (deficit)	<u>(13,961,947)</u>	<u>(13,888,220)</u>	<u>(27,850,167)</u>	<u>(33,133,029)</u>
Total net position	<u>\$ 44,626,065</u>	<u>\$ (1,063,265)</u>	<u>\$ 43,562,800</u>	<u>\$ 125,088,314</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, 2023**

	Business-type Activities			Governmental
	Water	Sewer	Total	Activities
				Internal Service Fund
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 25,261,867	\$ 5,364,040	\$ 30,625,907	\$ -
Interdepartmental charges	-	-	-	1,050,783
Expense reimbursement income	-	-	-	682,192
Miscellaneous	<u>658,480</u>	<u>-</u>	<u>658,480</u>	<u>-</u>
Total operating revenues	<u>25,920,347</u>	<u>5,364,040</u>	<u>31,284,387</u>	<u>1,732,975</u>
<b>OPERATING EXPENSES:</b>				
Cost of sales and services	11,753,257	3,086,120	14,839,377	-
Administration	468,041	-	468,041	-
Depreciation	<u>3,831,112</u>	<u>865,964</u>	<u>4,697,076</u>	<u>12,340,099</u>
Total operating expenses	<u>16,052,410</u>	<u>3,952,084</u>	<u>20,004,494</u>	<u>12,340,099</u>
<b>OPERATING INCOME (LOSS)</b>	<u>9,867,937</u>	<u>1,411,956</u>	<u>11,279,893</u>	<u>(10,607,124)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Capital grants	3,995,550	159,741	4,155,291	-
Capital contributions	-	-	-	7,776,876
Lease income	-	-	-	1,080,473
Investment income	96,684	-	96,684	-
Interest expense	<u>(1,096,354)</u>	<u>(29,755)</u>	<u>(1,126,109)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>2,995,880</u>	<u>129,986</u>	<u>3,125,866</u>	<u>8,857,349</u>
<b>INCOME (LOSS) BEFORE SPECIAL ITEM &amp; OPERATING TRANSFERS</b>	<u>12,863,817</u>	<u>1,541,942</u>	<u>14,405,759</u>	<u>(1,749,775)</u>
SPECIAL ITEM - SEE NOTE 13	-	-	-	17,220,061
OPERATING TRANSFERS OUT	<u>(2,300,000)</u>	<u>(525,000)</u>	<u>(2,825,000)</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	<u>10,563,817</u>	<u>1,016,942</u>	<u>11,580,759</u>	<u>15,470,286</u>
<b>NET POSITION - beginning of year</b>	<u>34,062,248</u>	<u>(2,080,207)</u>	<u>31,982,041</u>	<u>109,618,028</u>
<b>NET POSITION - end of year</b>	<u>\$ 44,626,065</u>	<u>\$ (1,063,265)</u>	<u>\$ 43,562,800</u>	<u>\$ 125,088,314</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, 2023**

	Business-type Activities			Governmental
	Water	Sewer	Total	Activities
				Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers	\$ 25,753,616	\$ 5,399,471	\$ 31,153,087	\$ -
Receipts from expense reimbursements	-	-	-	1,729,335
Payments to vendors	(5,675,398)	(954,842)	(6,630,240)	(36,413)
Payments to employees	(6,418,873)	(2,659,615)	(9,078,488)	-
Internal activity with other funds - net	159,014	3,099	162,113	(1,435,422)
Claims paid	(2,936,074)	(1,242,431)	(4,178,505)	-
<b>Net cash flow from operating activities</b>	<b>10,882,285</b>	<b>545,682</b>	<b>11,427,967</b>	<b>257,500</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	(9,763,216)	(916,878)	(10,680,094)	-
Proceeds from capital grants	3,995,550	159,741	4,155,291	-
Proceeds from capital debt	4,219,770	-	4,219,770	-
Principal paid on capital debt	(3,738,811)	(546,676)	(4,285,487)	(250,000)
Interest paid on capital debt	(1,072,491)	(85,098)	(1,157,589)	(7,500)
<b>Net cash flow from capital and related financing activities</b>	<b>(6,359,198)</b>	<b>(1,388,911)</b>	<b>(7,748,109)</b>	<b>(257,500)</b>
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest and dividends received	96,684	-	96,684	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>2,319,771</b>	<b>(1,368,229)</b>	<b>951,542</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS - beginning of year</b>	<b>8,853,319</b>	<b>3,673,444</b>	<b>12,526,763</b>	<b>-</b>
<b>CASH AND CASH EQUIVALENTS - end of year</b>	<b>\$ 11,173,090</b>	<b>\$ 2,305,215</b>	<b>\$ 13,478,305</b>	<b>\$ -</b>
<b>Reconciliation of operating income (loss) to net cash flow from operating activities:</b>				
Operating income (loss)	\$ 9,867,937	\$ 1,411,956	\$ 11,279,893	\$ (10,607,124)
Adjustments to reconcile operating income (loss) to net cash flow from operating activities:				
Depreciation expense	3,831,112	865,964	4,697,076	12,340,099
Special item	-	-	-	17,220,061
Change in assets and liabilities:				
Accounts receivable	(166,731)	35,431	(131,300)	-
Due to/from other funds	159,014	3,099	162,113	(1,435,422)
Due from component unit	-	-	-	1,047,143
Accounts payable and accrued expenses	972,993	271,477	1,244,470	-
Amounts due to retirement systems	-	-	-	(1,087,196)
Net pension assets/liabilities	4,063,562	1,678,514	5,742,076	(275,508)
Other postemployment benefits	1,408,447	726,129	2,134,576	(5,374,492)
Self-insurance claims	413,696	260,271	673,967	-
Accrued compensated absences	156,585	73,380	229,965	-
Deferred outflows - OPEB and pension	65,978	(9,959)	56,019	4,447,752
Deferred inflows - OPEB and pension	(9,890,308)	(4,770,580)	(14,660,888)	(16,017,813)
<b>Net cash flow from operating activities</b>	<b>\$ 10,882,285</b>	<b>\$ 545,682</b>	<b>\$ 11,427,967</b>	<b>\$ 257,500</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 \$7,776,876 and amortization of deferred inflows related to leases of \$1,080,473.

Continued...

**CITY OF SYRACUSE, NEW YORK**

**Statement of Cash Flows - Proprietary Funds  
For the Year Ended June 30, 2023**

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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	\$ 8,379,027	\$ 474,292	\$ 8,853,319
Sewer Fund	3,673,444	-	3,673,444
Internal Service Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total - Cash and cash equivalents - beginning of year	<u>\$ 12,052,471</u>	<u>\$ 474,292</u>	<u>\$ 12,526,763</u>
End of Year:			
Water Fund	\$ 10,347,456	\$ 825,634	\$ 11,173,090
Sewer Fund	2,305,215	-	2,305,215
Internal Service Fund	<u>-</u>	<u>-</u>	<u>-</u>
Total - Cash and cash equivalents - end of year	<u>\$ 12,652,671</u>	<u>\$ 825,634</u>	<u>\$ 13,478,305</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, 2023**

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	City Custodial	City School	Total Fiduciary
	Fund	District Private	Funds
		Purpose Trusts	
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Restricted cash and cash equivalents	\$ 3,335,772	\$ 25,831	\$ 3,361,603
Total assets	<u>3,335,772</u>	<u>25,831</u>	<u>3,361,603</u>
<b>LIABILITIES</b>			
Due to other funds	-	26	26
Due to other governments	<u>3,335,772</u>	<u>-</u>	<u>3,335,772</u>
Total liabilities	<u>3,335,772</u>	<u>26</u>	<u>3,335,798</u>
<b>NET POSITION</b>			
Held in trust for scholarships	<u>\$ -</u>	<u>\$ 25,805</u>	<u>\$ 25,805</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, 2023**

	City Custodial Fund	City School District Private Purpose Trusts	Total Fiduciary Funds
<b>ADDITIONS:</b>			
Taxes collected for other governments	\$ 79,371,676	\$ -	\$ 79,371,676
Contributions	-	21,445	21,445
Investment income	-	914	914
<b>Total additions</b>	<u>79,371,676</u>	<u>22,359</u>	<u>79,394,035</u>
<b>DEDUCTIONS:</b>			
Taxes distributed to other governments	79,371,676	-	79,371,676
Scholarships and awards	-	25,385	25,385
<b>Total deductions</b>	<u>79,371,676</u>	<u>25,385</u>	<u>79,397,061</u>
<b>CHANGE IN NET POSITION</b>	-	(3,026)	(3,026)
<b>NET POSITION - beginning of year</b>	<u>-</u>	<u>28,831</u>	<u>28,831</u>
<b>NET POSITION - end of year</b>	<u>\$ -</u>	<u>\$ 25,805</u>	<u>\$ 25,805</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, 2023

	Syracuse Industrial Development Agency	Syracuse Economic Development Corporation	Syracuse Regional Airport Authority	Greater Syracuse Property Development Corporation	Total
<b>ASSETS:</b>					
Cash, cash equivalents and investments	\$ 3,618,647	\$ 1,114,354	\$ 55,325,471	\$ 3,029,030	\$ 63,087,502
Restricted cash, cash equivalents and investments	-	5,603,621	33,191,209	1,107,654	39,902,484
Accounts receivable	-	-	2,939,948	400	2,940,348
Loans receivable - current portion	-	818,772	-	-	818,772
Notes receivable - current portion	-	-	-	2,200	2,200
Lease receivable - current portion	-	-	1,216,472	-	1,216,472
Grant and government subsidiary receivable	-	-	-	-	-
Other receivables	-	360,620	-	-	360,620
Inventory	-	-	-	664,237	664,237
Prepaid expenses and other assets	515,609	-	839,030	69,917	1,424,556
Loans receivable - long-term portion	-	4,903,700	-	-	4,903,700
Notes receivable - long-term portion	-	4,290,185	-	80,126	4,370,311
Lease receivable - long-term portion	-	-	8,902,257	-	8,902,257
Net pension asset	-	-	-	-	-
Capital assets, non-depreciable	50,000	-	19,013,988	-	19,063,988
Capital assets, depreciable, net	-	-	41,794,023	33,868	41,827,891
<b>Total assets</b>	<b>4,184,256</b>	<b>17,091,252</b>	<b>163,222,398</b>	<b>4,987,432</b>	<b>189,485,338</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows - OPEB	-	-	3,168,758	-	3,168,758
Deferred outflows - pensions	-	-	3,745,583	-	3,745,583
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>6,914,341</b>	<b>-</b>	<b>6,914,341</b>
<b>LIABILITIES:</b>					
Accounts payable and accrued expenses	63,921	566,548	6,580,543	611,026	7,822,038
Unearned revenue	-	3,161,799	-	1,107,654	4,269,453
Due to primary government	-	-	323,000	-	323,000
Long-term liabilities - due within one year	-	-	2,223,034	26,940	2,249,974
Long-term liabilities - due in more than one year	-	-	55,554,224	6,735	55,560,959
<b>Total liabilities</b>	<b>63,921</b>	<b>3,728,347</b>	<b>64,680,801</b>	<b>1,752,355</b>	<b>70,225,424</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows - OPEB	-	-	9,723,862	-	9,723,862
Deferred inflows - pensions	-	-	314,685	-	314,685
Deferred inflows - leases	-	-	10,118,729	-	10,118,729
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>20,157,276</b>	<b>-</b>	<b>20,157,276</b>
<b>NET POSITION:</b>					
Net investment in capital assets	50,000	-	22,052,935	193	22,103,128
Restricted	-	5,853,621	33,191,209	-	39,044,830
Unrestricted	4,070,335	7,509,284	30,054,518	3,234,884	44,869,021
<b>Total net position</b>	<b>\$ 4,120,335</b>	<b>\$ 13,362,905</b>	<b>\$ 85,298,662</b>	<b>\$ 3,235,077</b>	<b>\$ 106,016,979</b>

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, 2023**

	Syracuse Industrial Development Agency	Syracuse Economic Development Corporation	Syracuse Regional Airport Authority	Greater Syracuse Property Development Corporation	Total
<b>OPERATING REVENUES:</b>					
Financing fees	\$ 431,679	\$ -	\$ -	\$ -	\$ 431,679
Landing fees	-	-	8,303,217	-	8,303,217
Parking rents	-	-	17,896,341	-	17,896,341
Concession and other	-	-	11,236,272	-	11,236,272
Terminal rents	-	-	5,581,072	-	5,581,072
Rent revenue	21,163	-	-	29,350	50,513
Sale of property	-	-	-	1,226,456	1,226,456
Mortgage interest income	-	42,900	-	-	42,900
Miscellaneous income	-	20	189,597	187,942	377,559
<b>Total operating revenues</b>	<b>452,842</b>	<b>42,920</b>	<b>43,206,499</b>	<b>1,443,748</b>	<b>45,146,009</b>
<b>OPERATING EXPENSES:</b>					
Airport expenses	-	-	46,399,544	-	46,399,544
Greater Syracuse Property Development Corporation expenses	-	-	-	5,544,909	5,544,909
Public improvements	297,649	-	-	-	297,649
Development projects	3,323	174,385	-	-	177,708
Other costs	637,044	10,867	-	-	647,911
Depreciation and amortization	-	-	2,819,162	27,989	2,847,151
<b>Total operating expenses</b>	<b>938,016</b>	<b>185,252</b>	<b>49,218,706</b>	<b>5,572,898</b>	<b>55,914,872</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(485,174)</b>	<b>(142,332)</b>	<b>(6,012,207)</b>	<b>(4,129,150)</b>	<b>(10,768,863)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>					
Grant, contributions and government subsidy revenue	735,368	2,717,267	12,522,840	4,216,909	20,192,384
Passenger facility charges	-	-	5,590,985	-	5,590,985
Consumer facility charges	-	-	3,969,252	-	3,969,252
Other revenue	-	-	5,706,024	-	5,706,024
Interest expense	-	-	(4,376,800)	-	(4,376,800)
Investment earnings	6,807	115,266	879,699	7,961	1,009,733
<b>Total non-operating revenues (expenses)</b>	<b>742,175</b>	<b>2,832,533</b>	<b>24,292,000</b>	<b>4,224,870</b>	<b>32,091,578</b>
<b>CONTRIBUTIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>151</b>	<b>151</b>
<b>CHANGES IN NET POSITION</b>	<b>257,001</b>	<b>2,690,201</b>	<b>18,279,793</b>	<b>95,871</b>	<b>21,322,866</b>
<b>NET POSITION - beginning of year</b>	<b>3,863,334</b>	<b>10,672,704</b>	<b>67,018,869</b>	<b>3,139,206</b>	<b>84,694,113</b>
<b>NET POSITION - end of year</b>	<b>\$ 4,120,335</b>	<b>\$ 13,362,905</b>	<b>\$ 85,298,662</b>	<b>\$ 3,235,077</b>	<b>\$ 106,016,979</b>

The accompanying notes are an integral part of these statements.

# CITY OF SYRACUSE, NEW YORK

## Notes to Basic Financial Statements June 30, 2023

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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 144,000 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 Industrial Development Agency Syracuse Economic Development Corporation 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, 2023

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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 Commissioner of Finance at City Hall Room 128, 233 E. Washington Street, 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, 2023

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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. 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. 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, 2023

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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 trust and custodial). 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 plus deferred outflows, liabilities plus deferred inflows, revenues, or expenditures/expenses 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 plus deferred outflows, liabilities plus deferred inflows, revenues, or expenditures/expenses 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, 2023

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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, Food Service Fund and Miscellaneous Special Revenue 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 laws.
- 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.



## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements

June 30, 2023

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- 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.
- 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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- Custodial Funds - Custodial funds account for assets held by the City in a purely custodial capacity. Since these 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 own 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

## CITY OF SYRACUSE, NEW YORK

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

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- Nonmajor Funds
  - 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
    - Sidewalk
    - Syracuse Urban Renewal Agency
    - City School District School Food Service Fund
    - City School District Miscellaneous Special Revenue Fund
    - Miscellaneous Trust Funds

#### **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.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements

June 30, 2023

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#### **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.

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 Custodial 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.

## CITY OF SYRACUSE, NEW YORK

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

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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:

- Following a public hearing on the proposed budget, the Common Council must adopt the proposed or amended budget no later than May 8th.
- 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 1st.
- 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 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 fees for service receivables and grant related earnings as their major receivables.

## CITY OF SYRACUSE, NEW YORK

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

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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. Allowance for uncollectible accounts, which are net with accounts receivable, as of June 30, 2023 were \$3,597,855 in the Water Fund and \$924,411 in the Sewer Fund.

#### **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.

#### **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**

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.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements

June 30, 2023

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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

Capital assets also include lease assets with a term greater than one year. The City does not implement a capitalization threshold for lease assets. Lease assets are amortized on a straight-line basis over the term of the lease.

#### *Fund Financial Statements*

In the governmental 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 in the same manner as in the government-wide financial

#### **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.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements

June 30, 2023

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Lease-related amounts are recognized at the inception of leases in which the City is the lessor. The deferred inflows of resources are recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflows of resources are recognized in a systematic and rational manner over the term of the lease.

Deferred inflows of resources - lottery aid relates to advances of lottery revenues received from New York State Department of Education as part of a special legislation to assist with budget restraints. Initial advances totaling \$30,500,000, respectively, include \$20,000,000, \$4,500,000 and \$6,000,000 received during 6/30/2005, 6/30/2006 and 6/30/2008. These advances will be repaid over 30 years at 0% interest by directly reducing each year's state aid respectively of \$666,667, \$150,000 and \$200,000 through 6/30/2035, 6/30/2036 and 6/30/2038.

#### *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.

In both the government-wide and fund financial statements, lease-related amounts are recognized at the inception of leases in which the City is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

#### **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.

#### **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.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements

June 30, 2023

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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 or lease acquisitions are 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 borrowings or liabilities that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - reports net position when constraints are 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.

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.



## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements

June 30, 2023

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- 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 District's 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. Nonmajor Funds have commitments of \$11,026,383 and \$362,862 for Capital Projects and Special Assessment Districts, respectively.

The City School District General Fund has committed fund balance of \$49,115,185 as follows: \$3 million for the phase-in of Montessori at Delaware Primary and the whole-school dual language model of instruction at Seymour Dual Language Academy, \$6,115,185 for Workers' Compensation Section 15(8) cases, settlement offers, and other workers' compensation safety and training initiatives, \$10 million for the STEAM school project, \$10 million for capital projects and \$20 million to maintain a minimum of 4% of the General Fund's operating budget in reserve in accordance with School District policy.

- 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 \$8,055,484. Assigned fund balance in the City's General Fund consists of amounts appropriated in the next year's budget of \$23,391,385 and encumbrances of \$206,527. 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.

At June 30, 2023, a deficit unassigned fund balance of \$1,573,309 exists in the sidewalk special revenue fund. This is expected to be recovered through special assessments.

Proprietary net position is classified the same as in the 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.

#### **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 Police and Fire 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.

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

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

**June 30, 2023**

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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. Healthcare 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.

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 \$745,157, and payments received related to the agreements amounted to \$45,283. Property taxes abated by agreements with the Syracuse Industrial Development Agency amounted to \$20,290,776, and payments received related to the agreements amounted to \$1,284,327.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements

June 30, 2023

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#### **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 forfeitures 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.

#### **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

## CITY OF SYRACUSE, NEW YORK

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

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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, 2023, 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, 2023 were \$30,903,230 and \$3,064,218, respectively.

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

Most of the City's employees are covered by collective bargaining agreements. Approximately 4% have expired. The remaining 96% of these agreements extend to June 30, 2024 or later.

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

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

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#### **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 2023 City Abstract, the total cost of these services for 2023 is \$25,340,078 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 2022-2023 budget year, the City is using approximately \$110,000,000 or 71% of their tax limit to balance the budget. If the abstract charges were included in the City's budget, the City would exhaust approximately \$135,000,000 or 88% 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 and such differences may be significant.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements

June 30, 2023

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#### 3. CASH, CASH EQUIVALENTS AND INVESTMENTS

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.

##### **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, 2022, \$194,570,559 of the City's bank balances was exposed to custodial credit risk and was covered by collateral held in pledging banks' trust departments.

##### **Investment Valuation**

The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City did not have any investments that are measured using Level 2 or Level 3 inputs.

Fair value measurements of the City's investments at June 30, 2023 were comprised of U.S. Government Agency Treasury Notes valued at \$24,351,500 and U.S. Government Agency Treasury Bills valued at \$178,501,100, based on quoted market prices (Level 1 inputs).

**CITY OF SYRACUSE, NEW YORK**

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

**4. CAPITAL ASSETS AND DEPRECIATION**

Capital asset activity for the year ended June 30, 2023:

Governmental activities - City	Balance at July 1, 2022	Additions	Disposals/ Transfers	Balance at June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 17,287,380	\$ -	\$ -	\$ 17,287,380
Construction in progress	<u>130,020,955</u>	<u>40,420,303</u>	<u>44,095,821</u>	<u>126,345,437</u>
Subtotal	<u>147,308,335</u>	<u>40,420,303</u>	<u>44,095,821</u>	<u>143,632,817</u>
Capital assets, being depreciated:				
Buildings	344,931,082	-	-	344,931,082
Machinery and equipment	73,541,656	834,235	5,647,572	68,728,319
Improvements/ infrastructure	<u>671,761,929</u>	<u>51,038,462</u>	<u>50,390</u>	<u>722,750,001</u>
Subtotal	<u>1,090,234,667</u>	<u>51,872,697</u>	<u>5,697,962</u>	<u>1,136,409,402</u>
 Total capital assets	 <u>1,237,543,002</u>	 <u>92,293,000</u>	 <u>49,793,783</u>	 <u>1,280,042,219</u>
Accumulated depreciation:				
Buildings	221,494,739	7,083,124	-	228,577,863
Machinery and equipment	57,134,162	5,599,446	5,642,573	57,091,035
Improvements/ infrastructure	<u>482,143,674</u>	<u>18,409,532</u>	<u>37,792</u>	<u>500,515,414</u>
Total	<u>760,772,575</u>	<u>31,092,102</u>	<u>5,680,365</u>	<u>786,184,312</u>
 Net capital assets - City governmental activities	 <u>\$ 476,770,427</u>	 <u>\$ 61,200,898</u>	 <u>\$ 44,113,418</u>	 <u>\$ 493,857,907</u>

**CITY OF SYRACUSE, NEW YORK**

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

Governmental activities - District	Balance at July 1, 2022	Additions	Disposals/ Transfers	Balance at June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 1,480,325	\$ -	\$ -	\$ 1,480,325
Construction in progress	<u>231,520,707</u>	<u>10,115,417</u>	<u>199,205,715</u>	<u>42,430,409</u>
Total capital assets, not being depreciated	<u>233,001,032</u>	<u>10,115,417</u>	<u>199,205,715</u>	<u>43,910,734</u>
Capital assets, being depreciated:				
Buildings	527,199,350	199,474,147	6,891,936	719,781,561
Machinery and equipment	29,117,019	5,721,118	1,527,046	33,311,091
Improvements/ infrastructure	<u>7,791,325</u>	<u>3,022,777</u>	<u>1,455,325</u>	<u>9,358,777</u>
Total capital assets, being depreciated	<u>564,107,694</u>	<u>208,218,042</u>	<u>9,874,307</u>	<u>762,451,429</u>
Accumulated depreciation:				
Buildings	244,452,841	10,153,166	5,307,236	249,298,771
Machinery and equipment	20,112,155	2,139,816	1,492,367	20,759,604
Improvements/ infrastructure	<u>4,345,229</u>	<u>206,807</u>	<u>1,433,882</u>	<u>3,118,154</u>
Total accumulated depreciation	<u>268,910,225</u>	<u>12,499,789</u>	<u>8,233,485</u>	<u>273,176,529</u>
Right-to-use leased assets, being amortized:				
Buildings	600,504	523,541	197,387	926,658
Equipment	<u>1,204,680</u>	<u>-</u>	<u>260,917</u>	<u>943,763</u>
Total right-to-use leased assets, being amortized	<u>1,805,184</u>	<u>523,541</u>	<u>458,304</u>	<u>1,870,421</u>
Accumulated amortization:				
Buildings	265,964	208,894	197,388	277,470
Equipment	<u>404,877</u>	<u>378,610</u>	<u>260,916</u>	<u>522,571</u>
Total accumulated amortization	<u>670,841</u>	<u>587,504</u>	<u>458,304</u>	<u>800,041</u>
SBITAs, being amortized:				
Total SBITAs, being amortized	-	60,507	-	60,507
Less total accumulated amortization for SBITAs	<u>-</u>	<u>51,863</u>	<u>-</u>	<u>51,863</u>
Total SBITAs, being amortized, net	<u>-</u>	<u>8,644</u>	<u>-</u>	<u>8,644</u>
Net capital assets - District governmental activities	<u>\$ 529,332,844</u>	<u>\$ 205,778,351</u>	<u>\$ 200,846,537</u>	<u>\$ 534,264,658</u>
Net capital assets - Total governmental activities	<u>\$ 1,006,103,271</u>	<u>\$ 266,979,249</u>	<u>\$ 244,959,955</u>	<u>\$ 1,028,122,565</u>

Depreciation/Amortization was charged to governmental activities as follows:

General government support	\$ 3,221,450
Public Safety	3,879,943
Transportation	9,778,192
Culture and recreation	1,664,202
Home and community services	12,548,315
Education	<u>13,139,156</u>
	<u>\$ 44,231,258</u>



**CITY OF SYRACUSE, NEW YORK**

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

Business-type activities	Balance at July 1, 2022	Additions	Disposals/ Transfers	Balance at June 30, 2023
Capital assets, not being depreciated:				
Land	\$ 4,485,400	\$ -	\$ -	\$ 4,485,400
Construction in progress	<u>12,959,696</u>	<u>10,680,094</u>	<u>-</u>	<u>23,639,790</u>
Subtotal	<u>17,445,096</u>	<u>10,680,094</u>	<u>-</u>	<u>28,125,190</u>
Capital assets, being depreciated:				
Buildings	4,080,100	-	-	4,080,100
Machinery and equipment	11,202,608	-	656,984	10,545,624
Improvements/ infrastructure	<u>141,203,777</u>	<u>-</u>	<u>-</u>	<u>141,203,777</u>
Subtotal	<u>156,486,485</u>	<u>-</u>	<u>656,984</u>	<u>155,829,501</u>
Total capital assets	<u>173,931,581</u>	<u>10,680,094</u>	<u>656,984</u>	<u>183,954,691</u>
Accumulated depreciation:				
Buildings	3,530,487	44,175	-	3,574,662
Machinery and equipment	9,208,413	925,716	656,984	9,477,145
Improvements/ infrastructure	<u>44,107,122</u>	<u>3,727,185</u>	<u>-</u>	<u>47,834,307</u>
Total	<u>56,846,022</u>	<u>4,697,076</u>	<u>656,984</u>	<u>60,886,114</u>
Net capital assets - business-type activities	<u>\$ 117,085,559</u>	<u>\$ 5,983,018</u>	<u>\$ -</u>	<u>\$ 123,068,577</u>

Depreciation was charged to business-type activities as follows:

Water	\$ 3,831,112
Sewer	<u>865,964</u>
	<u>\$ 4,697,076</u>

**CITY OF SYRACUSE, NEW YORK**

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

**5. CAPITAL INDEBTEDNESS**

**Changes in Long-Term Liabilities**

Long-term liability activity for governmental activities for the year ended June 30, 2023:

Governmental activities	Balance at July 1, 2022	Additions	Reductions	Balance at June 30, 2023	Amount due within one year
Bonds payable - City:					
General obligation bonds payable	\$ 139,258,303	\$ 30,735,230	\$ 16,196,482	\$ 153,797,051	\$ 20,691,435
Premium on bonds payable	9,804,737	1,123,893	985,071	9,943,559	1,073,447
Discount on bonds payable	(273,721)	-	(273,721)	-	-
Total bonds payable - City	<u>148,789,319</u>	<u>31,859,123</u>	<u>16,907,832</u>	<u>163,740,610</u>	<u>21,764,882</u>
Bonds payable - District:					
General obligation bonds payable	290,945,000	-	23,725,000	267,220,000	21,930,000
Premium on bonds payable	41,278,067	-	4,124,800	37,153,267	4,124,800
Total bonds payable - District	<u>332,223,067</u>	<u>-</u>	<u>27,849,800</u>	<u>304,373,267</u>	<u>26,054,800</u>
Total bonds payable	<u>481,012,386</u>	<u>31,859,123</u>	<u>44,757,632</u>	<u>468,113,877</u>	<u>47,819,682</u>
Other liabilities:					
Net pension liability	10,666,217	181,537,713	-	192,203,930	-
Accrued compensated absences - City	8,302,718	1,028,801	-	9,331,519	-
Accrued compensated absences - District	6,729,516	10,295,960	9,950,950	7,074,526	-
Self-insurance claims - City	9,252,083	40,731,715	41,541,465	8,442,333	6,225,001
Self-insurance claims - District	40,902,824	50,092,822	54,399,875	36,595,771	4,243,958
Total other postemployment	633,329,731	63,510,949	-	696,840,680	-
SBITA Liability - District	-	60,507	51,763	8,744	8,744
Lease Liability - District	1,136,450	523,541	586,423	1,073,568	433,815
Judgments and claims	5,970,000	5,300,000	-	11,270,000	-
Total other liabilities	<u>716,289,539</u>	<u>353,082,008</u>	<u>106,530,476</u>	<u>962,841,071</u>	<u>10,911,518</u>
Governmental Activities - Long-Term Liabilities	<u>\$ 1,197,301,925</u>	<u>\$ 384,941,131</u>	<u>\$ 151,288,108</u>	<u>\$ 1,430,954,948</u>	<u>\$ 58,731,200</u>

**CITY OF SYRACUSE, NEW YORK**

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

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.

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, 2023:

Business-type activities	Balance at July 1, 2022	Additions	Reductions	Balance at June 30, 2023	Amount due within one year
Bonds payable:					
General obligation bonds payable	\$ 26,320,237	\$ 4,219,770	\$ 3,115,487	\$ 27,424,520	\$ 3,590,120
EFC bond - direct borrowing	23,625,000	-	1,170,000	22,455,000	1,190,000
Premium on bonds payable	<u>2,658,697</u>	<u>280,648</u>	<u>337,621</u>	<u>2,601,724</u>	<u>333,552</u>
Total bonds payable	<u>52,603,934</u>	<u>4,500,418</u>	<u>4,623,108</u>	<u>52,481,244</u>	<u>5,113,672</u>
Other liabilities:					
Net pension liability	-	4,044,395	-	4,044,395	-
Accrued compensated absences	428,446	229,965	-	658,411	-
Self-insurance claims	1,803,036	673,967	-	2,477,003	1,424,658
Total other postemployment	<u>22,741,016</u>	<u>2,134,576</u>	<u>-</u>	<u>24,875,592</u>	<u>-</u>
Total other liabilities	<u>24,972,498</u>	<u>7,082,903</u>	<u>-</u>	<u>32,055,401</u>	<u>1,424,658</u>
Business-type activities long-term liabilities	<u>\$ 77,576,432</u>	<u>\$ 11,583,321</u>	<u>\$ 4,623,108</u>	<u>\$ 84,536,645</u>	<u>\$ 6,538,330</u>

**CITY OF SYRACUSE, NEW YORK**

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

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**General Obligation 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. Detail relating to general obligation bonds of the City, outstanding at June 30, 2023, is summarized as follows:

Governmental Activities - City:

<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Outstanding</u>
2014	2/1/2034	2.500 - 5.000	\$ 3,917,000
2015	3/1/2027	4.000 - 5.000	4,783,633
2015	2/1/2030	2.500 - 5.000	3,153,000
2016	2/1/2031	2.000 - 2.375	4,044,000
2017	5/1/2032	3.000 - 5.000	6,785,000
2017	8/1/2029	3.000 - 5.000	660,633
2018	5/1/2033	4.000	5,860,000
2019	5/15/2034	4.000	9,950,000
2020	5/15/2035	4.000	11,759,000
2020	5/15/2031	5.000	3,485,000
2021	5/15/2041	2.000	41,613,000
2021	6/1/2033	4.000	3,600,000
2022	5/15/2042	4.000 - 4.125	23,451,555
2023	5/1/2023	4.000	30,735,230
			<u>\$ 153,797,051</u>

**CITY OF SYRACUSE, NEW YORK**

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

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Governmental Activities - District:

<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Outstanding</u>
2017	2024	3.000 - 5.000	\$ 1,080,000
2014	2025	2.000 - 5.000	1,660,000
2015	2027	4.000 - 5.000	2,620,000
2011	2028	5.428	15,000,000
2021	2028	5.000	13,045,000
2017	2030	3.000 - 5.000	15,290,000
2017	2030	3.000 - 5.000	3,445,000
2017	2032	3.000 - 5.000	2,230,000
2018	2034	3.250 - 5.000	53,920,000
2018	2035	3.000 - 5.000	31,720,000
2019	2035	4.000 - 5.000	54,115,000
2020	2037	4.000 - 5.000	<u>73,095,000</u>
			<u>\$ 267,220,000</u>

Business-type Activities:

<u>Date of Issue</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Outstanding</u>
2014	2/1/2034	2.500 - 5.000	\$ 1,368,000
2015	3/1/2027	4.000 - 5.000	3,126,367
2015	2/1/2030	2.500 - 5.000	537,000
2016	2/1/2031	2.000 - 2.375	926,000
2017	8/1/2029	3.000 - 5.000	84,383
2019	5/15/2034	4.000	1,155,000
2020	5/15/2035	4.000	771,000
2020	5/15/2031	5.000	630,000
2021	5/15/2040	2.000	3,712,000
2021	6/1/2033	4.000	9,595,000
2022	5/15/2040	4.000 - 4.125	1,300,000
2023	5/1/2023	4.000	<u>4,219,770</u>
			<u>\$ 27,424,520</u>

**EFC Bond - Direct Borrowing**

The State made available to the City a subsidized bond from the New York State Environmental Facilities Corporation (NYSEFC) in the amount of \$36,381,323. This bond was issued to finance water fund projects. Interest rate is 4.61% with a maturity date of 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, 2023**

The City's direct borrowings with NYSEFC contain a provision that in the event of default, NYSEFC may take whatever action at law or in equity may appear necessary or desirable to remedy such default. These remedies include, but are not limited to, mandatory redemption, acceleration, requiring the City to immediately redeem the bonds in whole together with all other sums due to NYSEFC. The City may also owe to NYSEFC interest accrued on the overdue balance.

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

As of June 30, 2023, 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	
2024	\$ 20,691,434	\$ 4,815,585	\$ 21,930,000	\$ 12,579,988	\$ 60,017,007
2025	19,172,039	4,084,559	22,110,000	11,527,637	56,894,235
2026	19,363,179	3,372,906	22,745,000	10,491,737	55,972,822
2027	19,148,739	2,664,608	34,770,000	9,357,762	65,941,109
2028	11,449,398	2,116,178	18,630,000	7,568,388	39,763,964
2029-2033	40,463,262	6,076,288	103,100,000	23,641,162	173,280,712
2034-2038	17,119,000	1,682,368	43,935,000	2,863,863	65,600,231
2039-2042	6,390,000	257,600	-	-	6,647,600
	<u>\$ 153,797,051</u>	<u>\$ 25,070,092</u>	<u>\$ 267,220,000</u>	<u>\$ 78,030,537</u>	<u>\$ 524,117,680</u>

Business-type Activities:

Year ending June 30,	General obligation debt		EFC bond - direct borrowing		Total
	Principal	Interest	Principal	Interest	
2024	\$ 3,590,120	\$ 947,503	\$ 1,190,000	\$ 449,553	\$ 6,177,176
2025	2,967,961	817,493	1,200,000	430,265	5,415,719
2026	3,051,821	696,865	1,225,000	412,523	5,386,209
2027	3,161,261	582,112	1,235,000	392,850	5,371,223
2028	2,585,602	472,242	1,250,000	373,848	4,681,692
2029-2033	10,971,755	846,420	6,520,000	1,169,183	19,507,358
2034-2038	1,096,000	(86,377)	6,945,000	(467,234)	7,487,389
2039-2040	-	279,526	2,890,000	(562,402)	2,607,124
	<u>\$ 27,424,520</u>	<u>\$ 4,555,784</u>	<u>\$ 22,455,000</u>	<u>\$ 2,198,586</u>	<u>\$ 56,633,890</u>

**CITY OF SYRACUSE, NEW YORK**

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

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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. No revenue anticipation notes were issued or redeemed by the City or the District during the fiscal year.

***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. The bond anticipation notes issued by the City in the amount of \$16,994,585 were issued on October 7, 2022 at an interest rate of 5.00% and a maturity date of July 6, 2023. No bond anticipation notes were issued or redeemed by the District during the fiscal year.

Short-term debt activity for the year ended June 30, 2023:

	Balance at July 1, 2022	Additions	Reductions	Balance at June 30, 2023
Governmental activities:				
Bond anticipation notes - City	\$ -	\$ 16,994,585	\$ -	\$ 16,994,585
Total	<u>\$ -</u>	<u>\$ 16,994,585</u>	<u>\$ -</u>	<u>\$ 16,994,585</u>

**CITY OF SYRACUSE, NEW YORK**

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

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**6. LEASES**

**District as a lessee:**

The City School District leases property, copiers and equipment from various vendors. Annual requirements to amortize long-term lease obligations and related interest are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 433,815	\$ 21,960	\$ 455,775
2025	249,365	15,955	265,320
2026	165,599	10,642	176,241
2026	121,747	6,183	127,930
2027	<u>103,042</u>	<u>1,916</u>	<u>104,958</u>
Total	<u>\$ 1,073,568</u>	<u>\$ 56,656</u>	<u>\$ 1,130,224</u>

**City as a lessor:**

The City entered into a lease of a City-owned parking garage on July 1, 2016 for a period of ten years. Current monthly payments to the City are \$37,500 under the lease. A receivable and deferred inflow of resources are recorded in the General Fund. Future payments under the lease are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,178,829	\$ 164,614	\$ 1,343,443
2025	424,134	25,866	450,000
2026	<u>440,755</u>	<u>9,245</u>	<u>450,000</u>
	<u>\$ 2,043,718</u>	<u>\$ 199,725</u>	<u>\$ 2,243,443</u>

An allowance for doubtful accounts has been established for payments under this lease agreement the City deems unlikely to be collected. The allowance was \$770,689 as of June 30, 2023.

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. These capital contributions are reported in the Internal Service Fund as nonoperating revenue. 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.



**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements**

**June 30, 2023**

The Authority was required under the lease agreement to make rental payments to the City equal to the principal and interest due on Airport-related debt issued by the City. However, the Authority subsequently issued debt to fully pay off the existing debt. As a result, there is no lease receivable reported in the Internal Service Fund, but deferred inflow of resources related to the lease are reported and are amortized over the term of the lease. This revenue is reported as lease income in the Internal Service Fund.

**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, 2023:

	Amount Receivable	Amount Payable
General Fund	\$ 9,396,599	\$ -
Joint Schools Construction Board	-	6,057,356
City School District General Fund	17,845,033	-
City School District Special Aid Fund	-	27,525,370
Proprietary Funds:		
Water	-	189,430
Sewer	-	5,295
Internal Service Fund	-	323,000
Nonmajor Governmental Funds:		
Capital Projects Fund - City	-	50,561
Capital Projects Fund - District	12,445,133	-
Debt Service - District	965,164	-
Neighborhood and Business Development	-	1,356,641
Special Grants	-	4,944,303
Sidewalk	-	1,339,511
SURA	2,531,786	3,719,644
School Food Service	2,327,422	-
Fiduciary	-	26
	<u>\$ 45,511,137</u>	<u>\$ 45,511,137</u>

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements**

**June 30, 2023**

The following schedule summarizes receivables and payables between the primary government and the discretely presented component units at June 30, 2023:

	Amount <u>Receivable</u>	Amount <u>Payable</u>
Internal Service Fund	\$ 323,000	\$ -
Component Units:		
Syracuse Regional Airport Authority	<u>-</u>	<u>323,000</u>
	<u>\$ 323,000</u>	<u>\$ 323,000</u>

The amounts receivable and payable above are as of June 30, 2023. The interfund receivables and payables differences relating to the component units result from loans and other transactions in the normal course of business.

**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	\$ 2,922,714	\$ 31,551,546
Joint Schools Construction Board	-	724,748
City School District General Fund	7,613,375	8,423,730
City School District Special Aid Fund	215,329	6,615,482
Proprietary Funds:		
Water	-	2,300,000
Sewer	-	525,000
Nonmajor Governmental Funds:		
Capital Projects Fund - City	12,209,300	3,799,803
Capital Projects Fund - District	4,623,154	-
Debt Service Fund - City	23,349,879	-
Debt Service Fund - District	3,767,825	-
Oil and Flushing	-	102,830
Sidewalk Fund	-	202,714
School Food Service Fund	<u>-</u>	<u>455,723</u>
	<u>\$ 54,701,576</u>	<u>\$ 54,701,576</u>

**CITY OF SYRACUSE, NEW YORK**

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

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**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 NYSEERS 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 NYSEERS. The NYSEERS 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 NYSEERS, 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.

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 NYSEERS and NYSPFRS are noncontributory except for employees who joined the NYSEERS 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 NYS RSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the NYSEERS’ 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:

	<u>NYSERS</u>		<u>NYSPFRS</u>
June 30, 2023	\$ 5,044,516	\$	22,153,313
June 30, 2022	5,585,875		20,377,121
June 30, 2021	5,721,547		18,038,055

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements**

**June 30, 2023**

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**Net Pension Liabilities (Assets), Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**

At June 30, 2023, the City reported net pension liabilities (assets) for its proportionate share of the NYSERS and NYSPFRS net pension liabilities (assets). The net pension liabilities (assets) measured as of March 31, 2023, and the total pension liability used to calculate the net pension liabilities (assets) were determined by the actuarial valuation as of April 1, 2022. The City's proportion of the net pension liabilities (assets) 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, 2023, the City reported the following:

	NYSERS		NYSPFRS
City's Proportion Percent	0.1262556%		2.0537776%
Net Pension Liability (Asset)	\$ 27,074,291	\$	113,172,838
Pension Expense	8,966,750		35,203,699

The allocation of the net pension liability (asset) and pension expense for governmental activities at June 30, 2023 was as follows:

	NYSERS		NYSPFRS
City's Proportion Percent	0.1074183%		2.0537776%
Net Pension Liability (Asset)	\$ 23,029,896	\$	113,172,838
Pension Expense	7,628,911		35,203,699

The allocation of the net pension liability (asset) and pension expense for business-type activities at June 30, 2023 was as follows:

	NYSERS
City's Proportion Percent	0.0188373%
Net Pension Liability (Asset)	\$ 4,044,395
Pension Expense	1,337,839

**CITY OF SYRACUSE, NEW YORK**

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

At June 30, 2023, the City reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	
	NYSERS	NYSPFRS
Differences between expected and actual experience	\$ 2,883,624	\$ 11,061,505
Net difference between projected and actual earnings on pension plan investments	-	200,073
Changes in proportion and differences between the City's contributions and proportionate share of contributions	-	3,504,125
Changes in assumptions	13,149,022	55,148,829
Contributions subsequent to the measurement date	<u>1,407,733</u>	<u>5,896,677</u>
Total	<u>\$ 17,440,379</u>	<u>\$ 75,811,209</u>

	Deferred Inflows of Resources	
	NYSERS	NYSPFRS
Differences between expected and actual experience	\$ 760,348	\$ -
Net difference between projected and actual earnings on pension plan investments	159,060	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	1,345,643	3,420,503
Changes in assumptions	<u>145,321</u>	<u>-</u>
Total	<u>\$ 2,410,372</u>	<u>\$ 3,420,503</u>

The allocation of deferred inflows and outflows for the governmental activities at June 30, 2023 were as follows:

	Deferred Outflows of Resources	
	NYSERS	NYSPFRS
Differences between expected and actual experience	\$ 2,453,387	\$ 11,061,505
Net difference between projected and actual earnings on pension plan investments	-	200,073
Changes in proportion and differences between the City's contributions and proportionate share of contributions	-	3,504,125
Changes of assumptions	11,187,188	55,148,829
Contributions subsequent to the measurement date	<u>1,194,536</u>	<u>5,896,677</u>
Total	<u>\$ 14,835,111</u>	<u>\$ 75,811,209</u>

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements**

**June 30, 2023**

	<u>Deferred Inflows of Resources</u>	
	<u>NYSERS</u>	<u>NYSPPRS</u>
Differences between expected and actual experience	\$ 646,904	\$ -
Net difference between projected and actual earnings on pension plan investments	135,328	-
Changes in proportion and differences between the City's contributions and proportionate share of contributions	1,144,873	3,420,503
Contributions subsequent to the measurement date	<u>123,203</u>	<u>-</u>
Total	<u>\$ 2,050,308</u>	<u>\$ 3,420,503</u>

The allocation of deferred inflows and outflows for the business-type activities at June 30, 2023 were as follows:

	<u>Deferred Outflows of Resources</u>	
	<u>NYSERS</u>	
Differences between expected and actual experience	\$ 430,237	
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	-	
Changes of assumptions	1,961,834	
Contributions subsequent to the measurement date	<u>213,197</u>	
Total	<u>\$ 2,605,268</u>	

	<u>Deferred Inflows of Resources</u>	
	<u>NYSERS</u>	
Differences between expected and actual experience	\$ 113,444	
Net difference between projected and actual earnings on pension plan investments	23,732	
Changes in proportion and differences between the City's contributions and proportionate share of contributions	200,770	
Contributions subsequent to the measurement date	<u>22,118</u>	
Total	<u>\$ 360,064</u>	

The City recognized deferred outflows of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2023, which will result in an increase or reduction of the net pension assets or liabilities, respectively, in the year ended June 30, 2024.

**CITY OF SYRACUSE, NEW YORK**

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

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:	Governmental Activities	
	NYSERS	NYSPFRS
2024	\$ 2,567,590	\$ 12,495,252
2025	(1,607,366)	(2,456,386)
2026	4,398,836	33,161,644
2027	6,231,207	20,773,956
2028	-	2,519,563
Thereafter	-	-
	<u>\$ 11,590,267</u>	<u>\$ 66,494,029</u>

Plan's Year Ended March 31:	Business-type Activities
	NYSERS
2024	\$ 450,264
2025	(281,875)
2026	771,399
2027	1,092,219
2028	-
Thereafter	-
	<u>\$ 2,032,007</u>

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

The following presents the City's proportionate share of the net pension liabilities (assets) calculated using the discount rate of 5.9%, as well as what the City's proportionate share of the net pension liabilities (assets) 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) - NYSERS	\$ 65,426,948	\$ 27,074,291	\$ (4,973,816)
Proportionate Share of Net Pension Liability (Asset) - NYSPFRS	235,914,079	113,172,838	11,535,721

**SURA:**

**Contributions**

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

	NYSERS
June 30, 2023	\$ 263,444
June 30, 2022	355,700
June 30, 2021	370,091

**CITY OF SYRACUSE, NEW YORK**

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

**Net Pension Liabilities (Assets), 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 asset. The net pension asset was measured as of March 31, 2022, and the total pension liability used to calculate the net pension asset 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:

	Deferred Outflows of Resources	Deferred Inflows of Resources
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 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:

2024	\$ 108,313
2025	(174,610)
2026	297,839
2027	444,290
2028	-
Thereafter	<u>-</u>
	<u>\$ 675,832</u>



**CITY OF SYRACUSE, NEW YORK**

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

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**Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) 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)	\$ 3,992,256	\$ 1,652,033	\$ (303,495)

**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, 2023	\$	4,926,215
June 30, 2022		6,405,677
June 30, 2021		6,148,415

**Net Pension Liabilities (Assets), Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**

At June 30, 2023, the District reported a net pension liability of \$32,011,516 for its proportionate share of the NYSERS net pension liability. The net pension asset was measured as of March 31, 2023, and the total pension liability used to calculate the net pension asset was determined by the actuarial valuation as of April 1, 2022. 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 March 31, 2023, the District's proportion was 0.1492794%, which was an increase of 0.0066448% from its proportionate share of 0.1426346% as measured at March 31, 2022.

**CITY OF SYRACUSE, NEW YORK**

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

For the year ended June 30, 2023, the School District recognized pension expense of \$11,254,899. At June 30, 2023, 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	\$ 3,409,477	\$ 899,004
Changes in assumptions	15,546,857	171,822
Net difference between projected and actual earnings on pension plan investments	-	188,066
Changes in proportion and differences between the District's contributions and proportionate share of contributions	465,185	546,582
Contributions subsequent to the measurement date	<u>1,559,590</u>	<u>-</u>
Total	<u>\$ 20,981,109</u>	<u>\$ 1,805,474</u>

The District recognized \$1,559,590 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2023, which will be recognized as an adjustment to the net pension liability (asset) in the year ended June 30, 2024.

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:

2024	\$ 4,130,851
2025	(1,736,029)
2026	6,440,100
2027	8,781,123
2028	-
Thereafter	<u>-</u>
	<u>\$ 17,616,045</u>

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

The following presents the District's proportionate share of the net pension (asset) liability calculated using the discount rate of 5.9%, as well as what the District's proportionate share of the net pension (asset) liability would be if it were calculated using a discount rate that is 1% 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 Liabilities (Assets)	\$ 77,358,104	\$ 32,011,516	\$ (5,880,834)

**CITY OF SYRACUSE, NEW YORK**

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

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**Pension Plan Fiduciary Net Position**

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

	ERS	PFRS
Total pension liability (asset)	\$ 232,627,259	\$ 43,835,333
Net position	<u>(211,183,223)</u>	<u>(38,324,863)</u>
Net pension liability (asset)	<u>\$ 21,444,036</u>	<u>\$ 5,510,470</u>
Fiduciary net position as a percentage of total pension liability (asset)	90.78%	87.43%

**Actuarial Assumptions**

The total pension liability at March 31, 2023 was determined by using an actuarial valuation as of April 1, 2022, with update procedures used to roll forward the total pension liability to March 31, 2023.

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.90%
Salary scale	4.4% for ERS, 6.2% for PFRS indexed by service
Projected COLAs	1.5% compounded annually
Decrement	Developed from the Plan's 2020 experience study of the period April 1, 2015 through April 1, 2020
Mortality improvement	Society of Actuaries Scale MP-2021
Investment Rate of Return	5.9% compounded annually, net of investment expenses

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:

## CITY OF SYRACUSE, NEW YORK

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

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#### Long-Term Expected Rate of Return

Asset Type	Target Allocations in %	Long-Term 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 assets	3.0	5.84
Fixed Income	23.0	1.50
Cash	1.0	0.00
	<u>100.0</u>	

#### Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially 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 Teachers' 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.

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.

## CITY OF SYRACUSE, NEW YORK

### Notes to Basic Financial Statements

June 30, 2023

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#### 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, 2023	\$	21,563,876
June 30, 2022		20,209,748
June 30, 2021		17,250,303

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

At June 30, 2023, the District reported a net pension liability of \$22,337,647 for its proportionate share of the NYSTRS net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of June 30, 2021. The School District's proportion of the net pension liability was based on a projection of the School Districts' long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2022, the School District's proportionate share was 1.164091%, which was an increase of .082989% from its proportionate share of 1.081102% as measured at June 30, 2021.

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements**

**June 30, 2023**

For the year ended June 30, 2023, the District recognized pension expense (income) of \$27,091,312. At June 30, 2023 the School 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	\$ 23,407,026	\$ 447,607
Changes in assumptions	43,331,256	8,998,236
Net difference between projected and actual earnings on pension plan investments	28,862,358	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	1,973,580	5,304,376
Contributions subsequent to the measurement date	<u>21,856,842</u>	<u>-</u>
Total	<u>\$ 119,431,062</u>	<u>\$ 14,750,219</u>

The District recognized \$21,856,842 as a deferred outflow of resources related to pensions resulting from the District's contributions subsequent to the measurement date of June 30, 2022 which will be recognized as a reduction to the net pension (asset) liability for the year ended June 30, 2024. 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:

2023	\$ 16,051,427
2024	8,040,154
2025	(4,214,568)
2026	56,293,490
2027	6,779,455
Thereafter	<u>(125,957)</u>
	<u>\$ 82,824,001</u>

## CITY OF SYRACUSE, NEW YORK

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

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#### Actuarial Assumptions

The total pension liability at the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Normal Age
Inflation	2.40%
Projected Salary Increases	Rates of increase differ based on service. They have been calculated based upon recent NYSTRS member experience.

<u>Service</u>	<u>Rate</u>
5	5.18%
15	3.64%
25	2.50%
35	1.95%

Projected COLAs	1.30% compounded annually
Investment Rate of Return	6.95% compounded annually, net of pension plan investment expense, including inflation.

Annuitant mortality rates are based on plan member experience, with adjustments for mortality improvements based on Society of Actuaries Scale MP2021 for June 30, 2022, applied on a generational basis.

The actuarial assumptions were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2020. Active member mortality rates are based on plan member experience. NYSTRS runs one-year and five-year experience studies annually in order to gauge the appropriateness of the assumptions and has updated the mortality improvement assumption as of June 30, 2022.

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, 2023**

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, 2022 are summarized in the following table:

Asset Type	Target Allocations in %	Long-Term expected real rate of return in %
Domestic equity	33.0	6.5
International equity	16.0	7.2
Global equity	4.0	6.9
Real Estate equity	11.0	6.2
Private equity	8.0	9.9
Domestic fixed income	16.0	1.1
Global bonds	2.0	0.6
Private debt	2.0	5.3
Real estate debt	6.0	2.4
High-yield bonds	1.0	3.3
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 6.95%. 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 6.95%, as well as what the school districts' net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower (5.95%) or 1% higher (7.95%) than the current rate:

	1% Decrease (5.95%)	Current Discount (6.95%)	1% Increase (7.95%)
Proportionate Share of Net Pension Liability (Asset)	\$ 205,963,574	\$ 22,337,647	\$ (132,090,554)



**CITY OF SYRACUSE, NEW YORK**

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

**Pension Plan Fiduciary Net Position**

The components of the collective net pension liability (asset) (in thousands) of the participating school districts as of June 30, 2022, were as follows:

	NYSTRS
Total pension liability (asset)	\$ 133,883,474
Net position	(131,964,582)
Net pension liability (asset)	<u>\$ 1,918,892</u>
Fiduciary net position as a percentage of total pension liability (asset)	98.6%

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

The components of the net pension liabilities, and deferred outflows of resources and deferred inflows of resources are as follows as of June 30, 2023:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources
Governmental activities:			
City NYSERS	\$ 23,029,896	\$ 14,835,111	\$ 2,050,308
City NYSPFRS	113,172,838	75,811,209	3,420,503
SURA NYSERS	1,652,033	987,357	311,525
District NYSERS	32,011,516	20,981,109	1,805,474
District NYSTRS	<u>22,337,647</u>	<u>119,431,062</u>	<u>14,750,219</u>
Total governmental activities	<u>\$ 192,203,930</u>	<u>\$ 232,045,848</u>	<u>\$ 22,338,029</u>
Business-type activities:			
City NYSERS	<u>\$ 4,044,395</u>	<u>\$ 2,605,268</u>	<u>\$ 360,064</u>
Total business-type activities	<u>\$ 4,044,395</u>	<u>\$ 2,605,268</u>	<u>\$ 360,064</u>

**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 \$250,000 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.

**CITY OF SYRACUSE, NEW YORK**

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

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.

A reconciliation of insurance claims is presented below.

	City -		Total	
	Governmental	District	Governmental	City - Business-
	Activities		Activities	type Activities
Activity for the year ended June 30, 2023				
Worker's compensation liability - July 1	\$ 6,811,786	\$ 40,617,833	\$ 47,429,619	\$ 1,654,863
Health and dental liability - July 1	<u>2,440,297</u>	<u>284,991</u>	<u>2,725,288</u>	<u>148,173</u>
Total self insurance liability - July 1	<u>9,252,083</u>	<u>40,902,824</u>	<u>50,154,907</u>	<u>1,803,036</u>
Worker's compensation claims, net of payments	(2,086,589)	(4,285,558)	(6,372,147)	587,715
Health and dental claims, net of payments	<u>1,276,839</u>	<u>(21,495)</u>	<u>1,255,344</u>	<u>86,252</u>
Total claims, net of payments	<u>(809,750)</u>	<u>(4,307,053)</u>	<u>(5,116,803)</u>	<u>673,967</u>
Worker's compensation liability - June 30	4,725,197	36,332,275	41,057,472	2,242,578
Health and dental liability - June 30	<u>3,717,136</u>	<u>263,496</u>	<u>3,980,632</u>	<u>234,425</u>
Total self insurance liability - June 30	<u>\$ 8,442,333</u>	<u>\$ 36,595,771</u>	<u>\$ 45,038,104</u>	<u>\$ 2,477,003</u>

**CITY OF SYRACUSE, NEW YORK**

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

	City -		Total	
	Governmental Activities	District	Governmental Activities	City - Business- type Activities
Activity for the year ended June 30, 2022				
Worker's compensation liability - July 1	\$ 7,078,740	\$ 33,751,591	\$ 40,830,331	\$ 1,648,671
Health and dental liability - July 1	<u>2,597,238</u>	<u>1,068,859</u>	<u>3,666,097</u>	<u>165,230</u>
Total self insurance liability - July 1	<u>9,675,978</u>	<u>34,820,450</u>	<u>44,496,428</u>	<u>1,813,901</u>
Worker's compensation claims, net of payments	(266,954)	6,866,242	6,599,288	6,192
Health and dental claims, net of payments	<u>(156,941)</u>	<u>(783,868)</u>	<u>(940,809)</u>	<u>(17,057)</u>
Total claims, net of payments	<u>(423,895)</u>	<u>6,082,374</u>	<u>5,658,479</u>	<u>(10,865)</u>
Worker's compensation liability - June 30	6,811,786	40,617,833	47,429,619	1,654,863
Health and dental liability - June 30	<u>2,440,297</u>	<u>284,991</u>	<u>2,725,288</u>	<u>148,173</u>
Total self insurance liability - June 30	<u>\$ 9,252,083</u>	<u>\$ 40,902,824</u>	<u>\$ 50,154,907</u>	<u>\$ 1,803,036</u>

**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 NYSPFRS. Retirees and spouses who are Medicare-eligible are not required to contribute to retiree group healthcare 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 healthcare 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 healthcare benefits.

The plans are 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.

**CITY OF SYRACUSE, NEW YORK**

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

**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, 2023, the following employees were covered by the benefit terms:

	<u>City &amp; SURA</u>	<u>District</u>
Inactive employees or beneficiaries currently receiving benefits	1,895	3,644
Inactive employees entitled to but not yet receiving benefits	-	-
Active employees	<u>1,481</u>	<u>2,820</u>
Total participants	<u><u>3,376</u></u>	<u><u>6,464</u></u>

**Total OPEB Liability**

The City and the District's total liability was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021.

	<u>City &amp; SURA</u>	<u>District</u>	<u>Total</u>
Governmental Activities	\$ 358,414,693	\$ 338,425,987	\$ 696,840,680
Business-type Activities	24,875,592	-	24,875,592

**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:

	<u>City &amp; SURA</u>	<u>District</u>
Reporting Date	6/30/2023	6/30/2023
Measurement Date	6/30/2023	6/30/2023
Actuarial Valuation Date	7/1/2021	7/1/2021
Discount Rate	3.86%	3.86%
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 Percentage	Level Percentage
Amortization Period	Varies by Group	7.260 years
Medical and prescription drug trend rates	4.50% to 7.75%, declining to ultimate trend rate of 4.037% in 2075	4.50% to 7.75%, declining to ultimate trend rate of 4.037% in 2075

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.

**CITY OF SYRACUSE, NEW YORK**

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

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.

**Changes in the Total OPEB Liability**

	<u>City &amp; SURA</u>	<u>District</u>
Balance at June 30, 2022	\$ 349,222,125	\$ 306,848,622
Changes for the Year-		
Service cost	14,111,434	10,088,781
Interest	13,109,497	11,438,195
Changes of benefit terms	(186,880)	(1,521,525)
Changes in assumptions or other inputs	23,159,404	25,490,327
Benefit payments	<u>(16,125,295)</u>	<u>(13,918,413)</u>
Net changes	<u>34,068,160</u>	<u>31,577,365</u>
Balance at June 30, 2023	<u>\$ 383,290,285</u>	<u>\$ 338,425,987</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.69% as of June 30, 2022, to 3.86% as of June 30, 2023.

**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% lower (2.86%) or 1% higher (4.86%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
City OPEB Liability	\$ 432,269,339	\$ 383,290,285	\$ 342,373,033
District OPEB Liability	\$ 381,756,357	\$ 338,425,987	\$ 302,028,794

**CITY OF SYRACUSE, NEW YORK**

**Notes to Basic Financial Statements**

**June 30, 2023**

**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% lower or 1% higher than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
City OPEB Liability	\$ 325,280,046	\$ 383,290,285	\$ 456,531,675
District OPEB Liability	\$ 290,536,731	\$ 338,425,987	\$ 398,367,957

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

For the year ended June 30, 2023, the City and the District recognized OPEB expense(income) of \$(67,875,115) and \$(27,882,483), respectively. At June 30, 2023, 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>	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
City & SURA:				
Change of assumptions	\$ 49,696,618	\$ 50,613,154	\$ 2,672,556	\$ 3,441,138
Difference between expected and actual experience	<u>192,151</u>	<u>189,966,575</u>	<u>31,201</u>	<u>11,259,678</u>
Total City & SURA	<u>49,888,769</u>	<u>240,579,729</u>	<u>2,703,757</u>	<u>14,700,816</u>
District:				
Change of assumptions	53,246,113	42,885,815	-	-
Difference between expected and actual experience	<u>22,260,580</u>	<u>171,107,480</u>	<u>-</u>	<u>-</u>
Total District	<u>75,506,693</u>	<u>213,993,295</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 125,395,462</u>	<u>\$ 454,573,024</u>	<u>\$ 2,703,757</u>	<u>\$ 14,700,816</u>

**CITY OF SYRACUSE, NEW YORK**

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

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
2024	\$ (85,992,667)	\$ (47,887,934)	\$ (7,723,470)
2025	(73,842,176)	(47,887,934)	(3,223,236)
2026	(18,473,083)	(45,548,136)	(1,234,972)
2027	(15,705,717)	710,592	143,758
2028	3,322,683	474,228	40,861
Thereafter	-	1,652,582	-
	<u>\$ (190,690,960)</u>	<u>\$ (138,486,602)</u>	<u>\$ (11,997,059)</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, 2023.

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 \$252,082 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.

**CITY OF SYRACUSE, NEW YORK**

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

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**13. SPECIAL ITEM**

In prior years, under the agreement between the City and the Syracuse Regional Airport Authority (the Authority), the Authority reimbursed the City for certain services that were 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. Payroll liabilities related to these employees were recorded as a liability in the Internal Service Fund. Effective July 1, 2022, no employees are serving the Authority and future costs associated with these employees are to be paid in the General Fund. Due to this change, a special item is reported for the removal of payroll liabilities from the Internal Service Fund that will not be charged to the Authority.



**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, 2023**

	<u>General Fund</u>			Variance Favorable (Unfavorable)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<b>REVENUES:</b>				
General property taxes and tax items	\$ 48,004,110	\$ 48,004,110	\$ 46,297,205	\$ (1,706,905)
Sales and use taxes	112,350,000	112,350,000	115,788,545	3,438,545
Other local taxes	3,271,000	3,271,000	3,532,213	261,213
Departmental revenues	12,027,140	12,027,140	13,653,829	1,626,689
Intergovernmental charges	157,000	157,000	253,721	96,721
Licenses and permits	2,517,600	2,517,600	2,891,234	373,634
Fines and forfeitures	4,062,000	4,062,000	4,154,552	92,552
Sale of property and compensation for loss	1,209,123	1,209,123	386,937	(822,186)
Use of money and property	110,000	110,000	4,919,983	4,809,983
Federal and state aid and other grants	92,813,680	92,813,680	94,229,417	1,415,737
Other revenues	75,000	75,000	173,239	98,239
	<u>276,596,653</u>	<u>276,596,653</u>	<u>286,280,875</u>	<u>9,684,222</u>
<b>EXPENDITURES:</b>				
Current:				
General government support	40,005,252	40,005,252	53,707,915	(13,702,663)
Public safety	168,731,571	168,731,571	155,339,316	13,392,255
Transportation	23,854,616	23,854,616	19,802,466	4,052,150
Home and community services	16,139,840	16,139,840	13,591,689	2,548,151
Culture and recreation	13,994,248	13,994,248	12,057,316	1,936,932
Interest on debt	295,000	295,000	-	295,000
	<u>263,020,527</u>	<u>263,020,527</u>	<u>254,498,702</u>	<u>8,521,825</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>13,576,126</u>	<u>13,576,126</u>	<u>31,782,173</u>	<u>18,206,047</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond proceeds	-	-	17,500,000	17,500,000
Premium on issuance of BANs	-	-	235,009	235,009
Operating transfers in	2,922,714	2,922,714	2,922,714	-
Operating transfers out	(32,129,687)	(32,129,687)	(31,551,546)	578,141
	<u>(29,206,973)</u>	<u>(29,206,973)</u>	<u>(10,893,823)</u>	<u>18,313,150</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES</b>	<u>\$ (15,630,847)</u>	<u>\$ (15,630,847)</u>	<u>20,888,350</u>	<u>\$ 36,519,197</u>
<b>EFFECT OF ENCUMBRANCES</b>			<u>(48,318)</u>	
<b>CHANGE IN FUND BALANCE</b>			<u>\$ 20,840,032</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, 2023

	General Fund City School District				Total Current Year	Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual CSD	Add: Current Year Encumbrances	Expenditures and Encumbrances	
<b>REVENUES:</b>						
General property taxes and tax items	\$ 63,050,046	\$ 63,050,046	\$ 63,689,444	\$ -	\$ 63,689,444	\$ 639,398
Sales and use taxes	725,000	725,000	966,746	-	966,746	241,746
Sale of property and compensation for loss	50,250	50,250	32,417	-	32,417	(17,833)
Use of money and property	75,000	75,000	2,080,899	-	2,080,899	2,005,899
Federal and state aid and other grants	405,926,620	405,926,620	409,981,006	-	409,981,006	4,054,386
Other revenues	973,636	973,636	1,367,137	-	1,367,137	393,501
<b>Total revenues</b>	<b>470,800,552</b>	<b>470,800,552</b>	<b>478,117,649</b>	<b>-</b>	<b>478,117,649</b>	<b>7,317,097</b>
<b>EXPENDITURES:</b>						
Current:						
Education	446,389,605	444,389,605	407,336,987	8,055,484	415,392,471	28,997,134
Pass-through New York State funding to JSCB	34,625,613	34,625,613	34,616,586	-	34,616,586	9,027
Debt service	422,324	422,324	646,597	-	646,597	(224,273)
Capital Outlay	-	-	60,507	-	60,507	(60,507)
<b>Total expenditures</b>	<b>481,437,542</b>	<b>479,437,542</b>	<b>442,660,677</b>	<b>8,055,484</b>	<b>450,716,161</b>	<b>28,721,381</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(10,636,990)</b>	<b>(8,636,990)</b>	<b>35,456,972</b>	<b>(8,055,484)</b>	<b>27,401,488</b>	<b>36,038,478</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	9,985,788	9,985,788	7,613,375	-	7,613,375	(2,372,413)
Lease/SBITA Liabilities Issued	-	-	60,507	-	60,507	60,507
Operating transfers out	(6,423,731)	(8,423,731)	(8,423,730)	-	(8,423,730)	1
<b>Total other financing sources (uses) - net</b>	<b>3,562,057</b>	<b>1,562,057</b>	<b>(749,848)</b>	<b>-</b>	<b>(749,848)</b>	<b>(2,311,905)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING SOURCES (USES)</b>	<b>\$ (7,074,933)</b>	<b>\$ (7,074,933)</b>	<b>\$ 34,707,124</b>	<b>\$ (8,055,484)</b>	<b>\$ 26,651,640</b>	<b>\$ 33,726,573</b>

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							2015**	2014**
	2023	2022	2021	2020	2019	2018	2017**		
<b>City (including SURA):</b>									
<b>Total OPEB Liability</b>									
Service cost	\$ 14,111,434	\$ 20,082,532	\$ 17,841,500	\$ 15,748,910	\$ 27,628,631	\$ 26,872,640			
Interest	13,109,497	8,215,988	11,512,239	13,577,148	31,336,832	29,839,653			
Changes of benefit terms	(186,880)	(1,757,672)	-	-	-	(72,246)			
Differences between expected and actual experience	-	(57,685,223)	(42,581,090)	(457,421,643)	(101,816)	2,495,420			
Changes in assumptions	23,159,404	(77,424,449)	43,231,775	38,477,648	(17,737,265)	(7,975,348)			
Benefit payments	(16,125,295)	(15,455,514)	(17,607,606)	(16,735,004)	(23,907,031)	(24,993,401)			
<b>Total change in total OPEB liability</b>	<b>34,068,160</b>	<b>(124,024,338)</b>	<b>12,396,818</b>	<b>(406,352,941)</b>	<b>17,219,351</b>	<b>26,166,718</b>			
<b>Total OPEB liability - beginning</b>	<b>349,222,125</b>	<b>473,246,463</b>	<b>460,849,645</b>	<b>867,202,586</b>	<b>849,983,235</b>	<b>823,816,517</b>			
<b>Total OPEB liability - ending</b>	<b>\$ 383,290,285</b>	<b>\$ 349,222,125</b>	<b>\$ 473,246,463</b>	<b>\$ 460,849,645</b>	<b>\$ 867,202,586</b>	<b>\$ 849,983,235</b>			
<b>Covered-employee payroll</b>	<b>\$ 133,744,577</b>	<b>\$ 120,282,826</b>	<b>\$ 112,061,456</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>286.6%</b>	<b>290.3%</b>	<b>422.3%</b>	<b>384.1%</b>	<b>696.6%</b>	<b>712.4%</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	3.86%	3.69%	1.92%	2.45%	3.13%	3.62%
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The actuarial cost method is Entry Age Normal.

As of June 30, 2023, the discount rate changed from 3.69% to 3.86%. This resulted in a decrease in the liability.

As of June 30, 2023, the annual rate of increase in healthcare costs was revised to better reflect future expectations. 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.

\*\*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.

Continued...

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						2017**	2016**	2015**	2014**
	2023	2022	2021	2020	2019	2018				
<b>City School District:</b>										
<b>Total OPEB Liability</b>										
Service cost	\$ 10,088,781	\$ 12,988,416	\$ 8,283,401	\$ 7,790,200	\$ 19,345,430	\$ 19,103,347				
Interest	11,438,195	7,125,017	7,094,705	8,564,800	23,616,910	22,589,595				
Changes of benefit terms	(1,521,525)	(17,300,024)	8,631,106	-	-	-				
Differences between expected and actual experience	-	15,067,237	19,148,021	(389,052,209)	(2,242,757)	(314,221)				
Changes in assumptions	25,490,327	(47,231,871)	32,233,001	28,637,682	(19,845,230)	(5,655,185)				
Benefit payments	(13,918,413)	(13,678,239)	(13,617,053)	(12,918,652)	(17,693,310)	(18,514,661)				
<b>Total change in total OPEB liability</b>	<b>31,577,365</b>	<b>(43,029,464)</b>	<b>61,773,181</b>	<b>(356,978,179)</b>	<b>3,181,043</b>	<b>17,208,875</b>				
<b>Total OPEB liability - beginning</b>	<b>306,848,622</b>	<b>349,878,086</b>	<b>288,104,905</b>	<b>645,083,084</b>	<b>641,902,041</b>	<b>624,693,166</b>				
<b>Total OPEB liability - ending</b>	<b>\$ 338,425,987</b>	<b>\$ 306,848,622</b>	<b>\$ 349,878,086</b>	<b>\$ 288,104,905</b>	<b>\$ 645,083,084</b>	<b>\$ 641,902,041</b>				
<b>Covered-employee payroll</b>	<b>\$ 280,461,140</b>	<b>\$ 264,719,123</b>	<b>\$ 233,839,973</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>120.7%</b>	<b>115.9%</b>	<b>149.6%</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	3.86%	3.69%	1.92%	2.45%	3.13%	3.62%
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The actuarial cost method is Entry Age Normal.

As of June 30, 2023, the discount rate changed from 3.69% to 3.86%. This resulted in a decrease in the liability.

As of the June 30, 2023 measurement date, the health plan and benefit contributions were revised for results of collective bargaining agreement settlements. This resulted in a decrease in the liability.

As of the June 30, 2023 measurement date, the annual rate of increase in healthcare costs was revised to better reflect future expectations. This resulted in an increase in the liability.

As of the June 30, 2023 measurement date, an adjustment was made to the annual expected rate of increase in post-65 retiree healthcare costs to account for expected premiums and market conditions by the end of the District's most recent Medicare Advantage contract. 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.

\*\*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.

Concluded.

**CITY OF SYRACUSE, NEW YORK**

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

**CITY SCHOOL DISTRICT:**

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

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014**
Proportion of the net pension liability (asset)	0.1492794%	0.1426346%	0.1508623%	0.1481789%	0.1517704%	0.1427046%	0.1376588%	0.1323220%	0.1295850%	
Proportionate share of the net pension liability (asset)	\$ 32,012	\$ (11,660)	\$ 150	\$ 39,239	\$ 10,753	\$ 4,606	\$ 12,935	\$ 21,238	\$ 4,378	
Covered-employee payroll	\$ 50,406	\$ 46,377	\$ 43,185	\$ 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	63.51%	-25.14%	0.35%	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)	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.90%	

**NEW YORK STATE TEACHER RETIREMENT SYSTEM PLAN**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014**
Proportion of the net pension liability (asset)	1.164091%	1.081102%	1.147097%	1.137809%	1.129355%	1.119303%	1.137868%	1.051631%	1.072093%	
Proportionate share of the net pension liability (asset)	\$ 22,338	\$ (187,345)	\$ 31,697	\$ (29,560)	\$ (20,422)	\$ (8,508)	\$ 12,187	\$ (109,231)	\$ (119,425)	
Covered-employee payroll	\$ 212,409	\$ 205,791	\$ 183,510	\$ 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	10.52%	-91.04%	17.27%	-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)	98.60%	113.20%	97.80%	102.20%	101.53%	100.66%	99.01%	110.46%	111.48%	

**CITY:**

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

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014**
Proportion of the net pension liability (asset)	0.1262556%	0.1284598%	0.1425586%	0.1459257%	0.1515259%	0.1498164%	0.1496258%	0.1546223%	0.1565137%	
Proportionate share of the net pension liability (asset)	\$ 27,074	\$ (10,501)	\$ 142	\$ 38,642	\$ 10,736	\$ 4,835	\$ 14,059	\$ 24,817	\$ 5,287	
Covered-employee payroll	\$ 44,261	\$ 37,920	\$ 37,537	\$ 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	61.17%	-27.69%	0.38%	92.17%	25.87%	11.49%	32.65%	58.69%	12.74%	
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.68%	97.90%	

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

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014**
Proportion of the net pension liability (asset)	2.0537776%	1.8777079%	1.9581470%	2.0404490%	1.8935108%	2.074932%	2.073579%	2.134004%	2.004215%	
Proportionate share of the net pension liability (asset)	\$ 113,173	\$ 10,666	\$ 33,999	\$ 109,061	\$ 31,755	\$ 20,973	\$ 42,978	\$ 63,183	\$ 5,517	
Covered-employee payroll	\$ 83,644	\$ 80,741	\$ 69,464	\$ 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	135.30%	13.21%	48.94%	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)	87.43%	98.66%	95.79%	84.86%	95.09%	96.90%	93.50%	90.24%	99.00%	

**SURA:**

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

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014**
Proportion of the net pension liability (asset)	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	\$ (683)	\$ 10	\$ 3,104	\$ 918	\$ 438	\$ 1,231	\$ 2,049	\$ 515	
Covered-employee payroll	\$ 2,518	\$ 2,518	\$ 2,858	\$ 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	65.61%	-27.14%	0.35%	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)	90.78%	103.65%	99.95%	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, 2023**

**CITY SCHOOL DISTRICT:**

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

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014**
Contractually required contribution	\$ 4,926	\$ 6,406	\$ 6,148	\$ 5,898	\$ 5,984	\$ 5,650	\$ 5,409	\$ 5,656	\$ 5,817	
Contributions in relation to the contractually required contribution	4,926	6,406	6,148	5,898	5,984	5,650	5,409	5,656	5,817	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Covered-employee payroll	\$ 50,406	\$ 46,377	\$ 43,185	\$ 45,503	\$ 43,581	\$ 43,232	\$ 39,296	\$ 37,080	\$ 33,468	
Contributions as a percentage of covered-employee payroll	9.77%	13.81%	14.24%	12.96%	13.73%	13.07%	13.76%	15.25%	17.38%	

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

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014**
Contractually required contribution	\$ 21,564	\$ 17,487	\$ 17,250	\$ 20,169	\$ 18,028	\$ 20,788	\$ 23,283	\$ 27,692	\$ 25,734	
Contributions in relation to the contractually required contribution	21,564	17,487	17,250	20,169	18,028	20,788	23,283	27,692	25,734	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Covered-employee payroll	\$ 212,409	\$ 205,791	\$ 183,510	\$ 194,699	\$ 189,798	\$ 177,373	\$ 175,373	\$ 157,918	\$ 158,365	
Contributions as a percentage of covered-employee payroll	10.15%	8.50%	9.40%	10.36%	9.50%	11.72%	13.28%	17.54%	16.25%	

**CITY:**

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

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014**
Contractually required contribution	\$ 5,045	\$ 5,586	\$ 5,722	\$ 5,680	\$ 5,905	\$ 5,905	\$ 6,156	\$ 6,600	\$ 7,523	
Contributions in relation to the contractually required contribution	5,045	5,586	5,722	5,680	5,905	5,905	6,156	6,600	7,523	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Covered-employee payroll	\$ 44,261	\$ 37,920	\$ 37,537	\$ 41,924	\$ 41,494	\$ 42,076	\$ 43,056	\$ 42,286	\$ 41,497	
Contributions as a percentage of covered-employee payroll	11.40%	14.73%	15.24%	13.55%	14.23%	14.03%	14.30%	15.61%	18.13%	

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

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014**
Contractually required contribution	\$ 22,153	\$ 20,377	\$ 18,038	\$ 18,764	\$ 17,400	\$ 18,377	\$ 18,918	\$ 17,767	\$ 17,777	
Contributions in relation to the contractually required contribution	22,153	20,377	18,038	18,764	17,400	18,377	18,918	17,767	17,777	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Covered-employee payroll	\$ 83,644	\$ 80,741	\$ 69,464	\$ 71,697	\$ 75,566	\$ 71,067	\$ 72,008	\$ 73,152	\$ 68,523	
Contributions as a percentage of covered-employee payroll	26.48%	25.24%	25.97%	26.17%	23.03%	25.86%	26.27%	24.29%	25.94%	

**SURA:**

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

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014**
Contractually required contribution	\$ 263	\$ 356	\$ 370	\$ 430	\$ 471	\$ 484	\$ 453	\$ 427	\$ 427	
Contributions in relation to the contractually required contribution	263	356	370	430	471	484	453	427	427	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Covered-employee payroll	\$ 2,518	\$ 2,518	\$ 2,858	\$ 3,153	\$ 3,547	\$ 3,398	\$ 3,266	\$ 2,958	\$ 3,298	
Contributions as a percentage of covered-employee payroll	10.44%	14.12%	12.95%	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, 2023**

	Capital Projects (Combined)	Debt Service (Combined)	Permanent Funds (Combined)	Special Revenue (Combined)	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash, cash equivalents and investments	\$ 5,037,420	\$ -	\$ -	\$ 1,396,888	\$ 6,434,308
Restricted cash and cash equivalents	26,092,087	15,570,272	27,262	6,311,336	48,000,957
Loans receivable	-	-	-	15,734,792	15,734,792
Accounts receivable	-	4,070,888	-	84,133	4,155,021
Other receivable	-	-	-	10,741	10,741
Taxes receivable, net	-	-	-	130,522	130,522
Due from other funds	12,445,133	965,164	-	4,859,208	18,269,505
Due from other governments	12,114,901	-	-	11,622,622	23,737,523
Inventory	-	-	-	629,686	629,686
Prepays and other assets	-	-	-	14,797	14,797
<b>Total assets</b>	<b>\$ 55,689,541</b>	<b>\$ 20,606,324</b>	<b>\$ 27,262</b>	<b>\$ 40,794,725</b>	<b>\$ 117,117,852</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>					
Liabilities:					
Accounts payable and accrued expenses	\$ 5,824,034	\$ 1,543	\$ -	\$ 3,210,482	\$ 9,036,059
Due to other funds	50,561	-	-	11,360,099	11,410,660
Due to other governments	-	-	-	54,363	54,363
Unearned revenue	793,367	-	-	2,242,773	3,036,140
Loans payable	-	-	-	15,584,792	15,584,792
Other liabilities	-	-	-	82,996	82,996
<b>Total liabilities</b>	<b>6,667,962</b>	<b>1,543</b>	<b>-</b>	<b>32,535,505</b>	<b>39,205,010</b>
Deferred inflows of resources:					
Deferred inflows - unavailable revenue	-	4,070,888	-	261,066	4,331,954
Fund Balance:					
Nonspendable	-	-	10,000	629,686	639,686
Restricted	37,995,196	16,533,893	17,262	8,578,915	63,125,266
Committed	11,026,383	-	-	362,862	11,389,245
Unassigned	-	-	-	(1,573,309)	(1,573,309)
<b>Total fund balances</b>	<b>49,021,579</b>	<b>16,533,893</b>	<b>27,262</b>	<b>7,998,154</b>	<b>73,580,888</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 55,689,541</b>	<b>\$ 20,606,324</b>	<b>\$ 27,262</b>	<b>\$ 40,794,725</b>	<b>\$ 117,117,852</b>

CITY OF SYRACUSE, NEW YORK

Combining Statement of Revenues, Expenditures and Change in Fund Balances - Nonmajor Governmental Funds  
For the Year Ended June 30, 2023

	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	\$ -	\$ -	\$ -	\$ 4,645,495	\$ 4,645,495
Other local taxes	-	1,033,592	-	-	1,033,592
Use of money and property	109,069	95,196	219	5,627	210,111
Sale of property and compensation for loss	-	-	-	370	370
Federal and state aid and other grants	23,610,705	-	-	36,093,651	59,704,356
Surplus food	-	-	-	908,689	908,689
Sales-School Food Service Program	-	-	-	98,850	98,850
Other revenues	<u>682,436</u>	<u>-</u>	<u>-</u>	<u>1,361,507</u>	<u>2,043,943</u>
Total revenues	<u>24,402,210</u>	<u>1,128,788</u>	<u>219</u>	<u>43,114,189</u>	<u>68,645,406</u>
<b>EXPENDITURES:</b>					
General government support	-	-	-	4,948,729	4,948,729
Public safety	-	-	-	1,904,446	1,904,446
Transportation	-	-	-	8,079,729	8,079,729
Economic opportunity and development	-	-	-	664,337	664,337
Home and community services	-	-	-	13,743,745	13,743,745
Culture and recreation	-	-	-	768,946	768,946
Education	-	-	-	157,280	157,280
Principal debt payments	-	19,096,482	-	-	19,096,482
Interest on debt	-	5,117,009	-	-	5,117,009
Capital outlays	43,472,437	-	-	-	43,472,437
Food Service Program	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,636,556</u>	<u>16,636,556</u>
Total expenditures	<u>43,472,437</u>	<u>24,213,491</u>	<u>-</u>	<u>46,903,768</u>	<u>114,589,696</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(19,070,227)</u>	<u>(23,084,703)</u>	<u>219</u>	<u>(3,789,579)</u>	<u>(45,944,290)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from leases/SBITAs	-	-	-	523,541	523,541
Bond proceeds	13,235,230	-	-	-	13,235,230
Premium on bonds	1,122,520	1,373	-	-	1,123,893
Operating transfers in	16,832,454	27,117,704	-	-	43,950,158
Operating transfers out	<u>(3,799,803)</u>	<u>-</u>	<u>-</u>	<u>(761,267)</u>	<u>(4,561,070)</u>
Total other financing sources (uses)	<u>27,390,401</u>	<u>27,119,077</u>	<u>-</u>	<u>(237,726)</u>	<u>54,271,752</u>
CHANGE IN FUND BALANCES	8,320,174	4,034,374	219	(4,027,305)	8,327,462
FUND BALANCE - beginning of year	<u>40,701,405</u>	<u>12,499,519</u>	<u>27,043</u>	<u>12,025,459</u>	<u>65,253,426</u>
FUND BALANCE - end of year	<u>\$ 49,021,579</u>	<u>\$ 16,533,893</u>	<u>\$ 27,262</u>	<u>\$ 7,998,154</u>	<u>\$ 73,580,888</u>



**CITY OF SYRACUSE, NEW YORK**

**Combining Balance Sheet - Capital Projects Funds  
June 30, 2023**

	City School District	City	Total Capital Projects Funds
<b>ASSETS</b>			
Cash, cash equivalents and investments	\$ -	\$ 5,037,420	\$ 5,037,420
Restricted cash and cash equivalents	-	26,092,087	26,092,087
Due from other funds	12,445,133	-	12,445,133
Due from other governments	<u>1,027,555</u>	<u>11,087,346</u>	<u>12,114,901</u>
 Total assets	 <u>\$ 13,472,688</u>	 <u>\$ 42,216,853</u>	 <u>\$ 55,689,541</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable and accrued expenses	\$ 1,569,579	\$ 4,254,455	\$ 5,824,034
Due to other funds	-	50,561	50,561
Unearned revenue	<u>-</u>	<u>793,367</u>	<u>793,367</u>
 Total liabilities	 <u>1,569,579</u>	 <u>5,098,383</u>	 <u>6,667,962</u>
Fund Balance:			
Restricted	11,903,109	26,092,087	37,995,196
Committed	<u>-</u>	<u>11,026,383</u>	<u>11,026,383</u>
 Total fund balance	 <u>11,903,109</u>	 <u>37,118,470</u>	 <u>49,021,579</u>
 Total liabilities and fund balance	 <u>\$ 13,472,688</u>	 <u>\$ 42,216,853</u>	 <u>\$ 55,689,541</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, 2023

	City School District	City	Total Capital Projects Funds
REVENUES:			
Use of money and property	\$ -	\$ 109,069	\$ 109,069
Federal and state aid and other grants	1,069,630	22,541,075	23,610,705
Other revenues	<u>-</u>	<u>682,436</u>	<u>682,436</u>
Total revenues	<u>1,069,630</u>	<u>23,332,580</u>	<u>24,402,210</u>
EXPENDITURES:			
Capital outlays	<u>3,062,181</u>	<u>40,410,256</u>	<u>43,472,437</u>
Total expenditures	<u>3,062,181</u>	<u>40,410,256</u>	<u>43,472,437</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(1,992,551)</u>	<u>(17,077,676)</u>	<u>(19,070,227)</u>
OTHER FINANCING SOURCES (USES):			
Bond proceeds	-	13,235,230	13,235,230
Premium on bonds	-	1,122,520	1,122,520
Operating transfers in	4,623,154	12,209,300	16,832,454
Operating transfers out	<u>-</u>	<u>(3,799,803)</u>	<u>(3,799,803)</u>
Total other financing sources - net	<u>4,623,154</u>	<u>22,767,247</u>	<u>27,390,401</u>
CHANGE IN FUND BALANCE	2,630,603	5,689,571	8,320,174
FUND BALANCE - beginning of year	<u>9,272,506</u>	<u>31,428,899</u>	<u>40,701,405</u>
FUND BALANCE - end of year	<u>\$ 11,903,109</u>	<u>\$ 37,118,470</u>	<u>\$ 49,021,579</u>

**CITY OF SYRACUSE, NEW YORK**

**Combining Balance Sheet - Debt Service Funds  
June 30, 2023**

	City School District	City	Total Debt Service Funds
<b>ASSETS</b>			
Restricted cash and cash equivalents	\$ -	\$ 15,570,272	\$ 15,570,272
Due from other funds	965,164	-	965,164
Accounts receivable	-	4,070,888	4,070,888
Total assets	<u>\$ 965,164</u>	<u>\$ 19,641,160</u>	<u>\$ 20,606,324</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>			
Liabilities:			
Accounts payable and accrued expenses	\$ -	\$ 1,543	\$ 1,543
Deferred inflows of resources:			
Deferred inflows - unavailable revenue	-	4,070,888	4,070,888
Fund Balance:			
Restricted	<u>965,164</u>	<u>15,568,729</u>	<u>16,533,893</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 965,164</u>	<u>\$ 19,641,160</u>	<u>\$ 20,606,324</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, 2023**

	City School District	City	Total Debt Service Funds
<b>REVENUES:</b>			
Other local taxes	\$ -	\$ 1,033,592	\$ 1,033,592
Use of money and property	<u>-</u>	<u>95,196</u>	<u>95,196</u>
Total revenues	<u>-</u>	<u>1,128,788</u>	<u>1,128,788</u>
<b>EXPENDITURES:</b>			
Principal debt payments	3,150,000	15,946,482	19,096,482
Interest on debt	<u>617,825</u>	<u>4,499,184</u>	<u>5,117,009</u>
Total expenditures	<u>3,767,825</u>	<u>20,445,666</u>	<u>24,213,491</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>(3,767,825)</u>	<u>(19,316,878)</u>	<u>(23,084,703)</u>
<b>OTHER FINANCING SOURCES:</b>			
Premium on bonds	-	1,373	1,373
Operating transfers in	<u>3,767,825</u>	<u>23,349,879</u>	<u>27,117,704</u>
Total other financing sources	<u>3,767,825</u>	<u>23,351,252</u>	<u>27,119,077</u>
CHANGE IN FUND BALANCE	-	4,034,374	4,034,374
FUND BALANCE - beginning of year	<u>965,164</u>	<u>11,534,355</u>	<u>12,499,519</u>
FUND BALANCE - end of year	<u>\$ 965,164</u>	<u>\$ 15,568,729</u>	<u>\$ 16,533,893</u>

**CITY OF SYRACUSE, NEW YORK**

**Combining Balance Sheet - Permanent Funds  
June 30, 2023**

	City School District	City	Total Permanent Funds
<b>ASSETS</b>			
Restricted cash and cash equivalents	\$ 17,262	\$ 10,000	\$ 27,262
Total assets	<u>\$ 17,262</u>	<u>\$ 10,000</u>	<u>\$ 27,262</u>
<b>FUND BALANCE</b>			
Nonspendable	\$ -	\$ 10,000	\$ 10,000
Restricted	<u>17,262</u>	<u>-</u>	<u>17,262</u>
Total fund balances	<u>\$ 17,262</u>	<u>\$ 10,000</u>	<u>\$ 27,262</u>

**CITY OF SYRACUSE, NEW YORK**

**Combining Statement of Revenues, Expenditures and Change in Fund Balances - Permanent Funds  
For the Year Ended June 30, 2023**

	City School District	City	Total Permanent Funds
REVENUES:			
Use of money and property	\$ 219	\$ -	\$ 219
Total revenues	<u>219</u>	<u>-</u>	<u>219</u>
EXPENDITURES:			
General government support	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	219	-	219
FUND BALANCE - beginning of year	<u>17,043</u>	<u>10,000</u>	<u>27,043</u>
FUND BALANCE - end of year	<u>\$ 17,262</u>	<u>\$ 10,000</u>	<u>\$ 27,262</u>

CITY OF SYRACUSE, NEW YORK

Combining Balance Sheet - Special Revenue Funds  
June 30, 2023

	Neighborhood & Business Development	Special Grants	Special Assessment Districts	Oil & Flushing	Sidewalk	Syracuse Urban Renewal	School Food Service	Miscellaneous Special Revenue	Miscellaneous Trusts (Combined)	Total Special Revenue Funds
<b>ASSETS</b>										
Cash, cash equivalents and investments	\$ -	\$ -	\$ 349,782	\$ -	\$ -	\$ 1,047,106	\$ -	\$ -	\$ -	\$ 1,396,888
Restricted cash and cash equivalents	2,048,790	1,522,235	-	325,154	56,417	19,104	-	134,494	2,205,142	6,311,336
Loans receivable	15,584,792	-	-	-	-	150,000	-	-	-	15,734,792
Accounts receivable	1,282	71,339	1,512	-	-	-	-	-	10,000	84,133
Other receivable	-	-	-	-	-	-	10,554	187	-	10,741
Taxes receivable, net	-	-	64,872	-	65,650	-	-	-	-	130,522
Due from other funds	-	-	-	-	-	2,531,786	2,327,422	-	-	4,859,208
Due from other governments	1,568,688	5,402,156	-	-	-	347,481	4,304,297	-	-	11,622,622
Inventory	-	-	-	-	-	-	629,686	-	-	629,686
Prepays and other assets	-	-	-	-	-	14,797	-	-	-	14,797
<b>Total assets</b>	<b>\$ 19,203,552</b>	<b>\$ 6,995,730</b>	<b>\$ 416,166</b>	<b>\$ 325,154</b>	<b>\$ 122,067</b>	<b>\$ 4,110,274</b>	<b>\$ 7,271,959</b>	<b>\$ 134,681</b>	<b>\$ 2,215,142</b>	<b>\$ 40,794,725</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>										
Liabilities:										
Accounts payable and accrued expenses	\$ 945,561	\$ 1,007,246	\$ -	\$ 15,444	\$ 298,103	\$ 204,851	\$ 714,768	\$ 20,034	\$ 4,475	\$ 3,210,482
Due to other funds	1,356,641	4,944,303	-	-	1,339,511	3,719,644	-	-	-	11,360,099
Due to other governments	54,074	-	-	-	-	-	289	-	-	54,363
Unearned revenue	1,179,488	1,044,181	-	-	-	19,104	-	-	-	2,242,773
Loans payable	15,584,792	-	-	-	-	-	-	-	-	15,584,792
Other liabilities	82,996	-	-	-	-	-	-	-	-	82,996
<b>Total liabilities</b>	<b>19,203,552</b>	<b>6,995,730</b>	<b>-</b>	<b>15,444</b>	<b>1,637,614</b>	<b>3,943,599</b>	<b>715,057</b>	<b>20,034</b>	<b>4,475</b>	<b>32,535,505</b>
Deferred inflows of resources:										
Deferred inflows - unavailable revenue	-	-	53,304	-	57,762	150,000	-	-	-	261,066
Fund Balance:										
Nonspendable	-	-	-	-	-	-	629,686	-	-	629,686
Restricted	-	-	-	309,710	-	16,675	5,927,216	114,647	2,210,667	8,578,915
Committed	-	-	362,862	-	-	-	-	-	-	362,862
Unassigned	-	-	-	-	(1,573,309)	-	-	-	-	(1,573,309)
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>362,862</b>	<b>309,710</b>	<b>(1,573,309)</b>	<b>16,675</b>	<b>6,556,902</b>	<b>114,647</b>	<b>2,210,667</b>	<b>7,998,154</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 19,203,552</b>	<b>\$ 6,995,730</b>	<b>\$ 416,166</b>	<b>\$ 325,154</b>	<b>\$ 122,067</b>	<b>\$ 4,110,274</b>	<b>\$ 7,271,959</b>	<b>\$ 134,681</b>	<b>\$ 2,215,142</b>	<b>\$ 40,794,725</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, 2023**

	Neighborhood & Business Development	Special Grants	Special Assessment Districts	Oil & Flushing	Sidewalk	Syracuse Urban Renewal	School Food Service	Miscellaneous Special Revenue	Miscellaneous Trusts (Combined)	Total Special Revenue Funds
<b>REVENUES:</b>										
General property taxes and tax items	\$ -	\$ -	\$ 1,124,782	\$ 2,619,427	\$ 901,286	\$ -	\$ -	\$ -	\$ -	\$ 4,645,495
Use of money and property	-	-	-	-	-	-	147	-	5,480	5,627
Sale of property and compensation for loss	-	-	-	-	-	-	370	-	-	370
Federal and state aid and other grants	7,025,271	13,068,162	-	-	439,536	-	15,560,682	-	-	36,093,651
Surplus food	-	-	-	-	-	-	908,689	-	-	908,689
Sales-School Food Service Program	-	-	-	-	-	-	98,850	-	-	98,850
Other revenues	-	-	-	-	-	426,885	-	134,347	800,275	1,361,507
<b>Total revenues</b>	<b>7,025,271</b>	<b>13,068,162</b>	<b>1,124,782</b>	<b>2,619,427</b>	<b>1,340,822</b>	<b>426,885</b>	<b>16,568,738</b>	<b>134,347</b>	<b>805,755</b>	<b>43,114,189</b>
<b>EXPENDITURES:</b>										
General government support	-	3,831,066	1,117,663	-	-	-	-	-	-	4,948,729
Public safety	-	1,776,579	-	-	-	-	-	-	127,867	1,904,446
Transportation	-	-	-	2,368,312	5,711,417	-	-	-	-	8,079,729
Economic opportunity and development	-	-	-	-	-	664,337	-	-	-	664,337
Home and community services	7,025,271	6,718,474	-	-	-	-	-	-	-	13,743,745
Culture and recreation	-	742,043	-	-	-	-	-	-	26,903	768,946
Education	-	-	-	-	-	-	-	157,280	-	157,280
Food Service Program	-	-	-	-	-	-	16,636,556	-	-	16,636,556
<b>Total expenditures</b>	<b>7,025,271</b>	<b>13,068,162</b>	<b>1,117,663</b>	<b>2,368,312</b>	<b>5,711,417</b>	<b>664,337</b>	<b>16,636,556</b>	<b>157,280</b>	<b>154,770</b>	<b>46,903,768</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>7,119</b>	<b>251,115</b>	<b>(4,370,595)</b>	<b>(237,452)</b>	<b>(67,818)</b>	<b>(22,933)</b>	<b>650,985</b>	<b>(3,789,579)</b>
<b>OTHER FINANCING SOURCES (USES):</b>										
Proceeds from leases/SBITAs	-	-	-	-	-	-	523,541	-	-	523,541
Operating transfers out	-	-	-	(102,830)	(202,714)	-	(455,723)	-	-	(761,267)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(102,830)</b>	<b>(202,714)</b>	<b>-</b>	<b>67,818</b>	<b>-</b>	<b>-</b>	<b>(237,726)</b>
<b>CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>7,119</b>	<b>148,285</b>	<b>(4,573,309)</b>	<b>(237,452)</b>	<b>-</b>	<b>(22,933)</b>	<b>650,985</b>	<b>(4,027,305)</b>
<b>FUND BALANCE - beginning of year</b>	<b>-</b>	<b>-</b>	<b>355,743</b>	<b>161,425</b>	<b>3,000,000</b>	<b>254,127</b>	<b>6,556,902</b>	<b>137,580</b>	<b>1,559,682</b>	<b>12,025,459</b>
<b>FUND BALANCE - end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 362,862</b>	<b>\$ 309,710</b>	<b>\$ (1,573,309)</b>	<b>\$ 16,675</b>	<b>\$ 6,556,902</b>	<b>\$ 114,647</b>	<b>\$ 2,210,667</b>	<b>\$ 7,998,154</b>



**CITY OF SYRACUSE, NEW YORK**

**Combining Balance Sheet - Miscellaneous Trust Funds**

**June 30, 2023**

	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	\$ 221,354	\$ 186,895	\$ 136,718	\$ 70,316	\$ 664	\$ 245,837	\$ 1,343,358	\$ 2,205,142
Accounts receivable	-	-	-	-	-	10,000	-	10,000
Total assets	<u>\$ 221,354</u>	<u>\$ 186,895</u>	<u>\$ 136,718</u>	<u>\$ 70,316</u>	<u>\$ 664</u>	<u>\$ 255,837</u>	<u>\$ 1,343,358</u>	<u>\$ 2,215,142</u>
<b>LIABILITIES AND FUND BALANCE</b>								
Liabilities:								
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,115	\$ 360	\$ 4,475
Total liabilities	-	-	-	-	-	4,115	360	4,475
Fund Balance:								
Restricted	<u>221,354</u>	<u>186,895</u>	<u>136,718</u>	<u>70,316</u>	<u>664</u>	<u>251,722</u>	<u>1,342,998</u>	<u>2,210,667</u>
Total liabilities and fund balance	<u>\$ 221,354</u>	<u>\$ 186,895</u>	<u>\$ 136,718</u>	<u>\$ 70,316</u>	<u>\$ 664</u>	<u>\$ 255,837</u>	<u>\$ 1,343,358</u>	<u>\$ 2,215,142</u>

**CITY OF SYRACUSE, NEW YORK**

**Combining Statement of Revenues, Expenditures and Change in Fund Balances - Miscellaneous Trust Funds  
For the Year Ended June 30, 2023**

	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	\$ -	\$ -	\$ -	\$ -	\$ 87	\$ 1,793	\$ 3,600	\$ 5,480
Other revenues	<u>31,684</u>	<u>275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,924</u>	<u>727,392</u>	<u>800,275</u>
Total revenues	<u>31,684</u>	<u>275</u>	<u>-</u>	<u>-</u>	<u>87</u>	<u>42,717</u>	<u>730,992</u>	<u>805,755</u>
<b>EXPENDITURES:</b>								
Public safety	789	-	-	-	-	19,203	107,875	127,867
Culture and recreation	<u>-</u>	<u>26,903</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,903</u>
Total expenditures	<u>789</u>	<u>26,903</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,203</u>	<u>107,875</u>	<u>154,770</u>
CHANGE IN FUND BALANCE	30,895	(26,628)	-	-	87	23,514	623,117	650,985
FUND BALANCE - beginning of year	<u>190,459</u>	<u>213,523</u>	<u>136,718</u>	<u>70,316</u>	<u>577</u>	<u>228,208</u>	<u>719,881</u>	<u>1,559,682</u>
FUND BALANCE - end of year	<u>\$ 221,354</u>	<u>\$ 186,895</u>	<u>\$ 136,718</u>	<u>\$ 70,316</u>	<u>\$ 664</u>	<u>\$ 251,722</u>	<u>\$ 1,342,998</u>	<u>\$ 2,210,667</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 28, 2024

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2023, 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 March 28, 2024. 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.

**Report on 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 were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be material weaknesses.

#### **Report on 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 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.

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

March 28, 2024

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

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

***Opinion on Each Major Federal Program***

We have audited the City of Syracuse, New York's compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

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 major federal programs for the year ended June 30, 2023.

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, 2023. 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.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

***Responsibilities of Management for Compliance***

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

***Auditor's Responsibilities for the Audit Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Syracuse, New York's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Syracuse, New York's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Syracuse, New York's internal control over compliance. Accordingly, no such opinion is expressed.

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

#### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore material weaknesses or significant deficiencies may exist that were not identified. However as discussed below, we did identify a deficiency in internal control that we consider to be a significant deficiency.

*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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-003 to be a significant deficiency.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our compliance audit 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 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, 2023

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing</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-20-MC-36-0108	N/A	\$ 88,302	
	14.218	B-21-MC-36-0108	N/A	15,560	
	14.218	B-22-MC-36-0108	N/A	3,991,875	
COVID-19: Community Development Block Grants	14.218	COVID-19 - B-20-MW-36-0108	N/A	<u>686,184</u>	
Total Community Development Block Grants/Entitlement Grants				<u>4,781,921</u>	<u>4,207,006</u>
Emergency Solutions Grant Program:					
	14.231	E-20-MC-36-0108	N/A	440,856	
	14.231	COVID-19 - E-20-MW-36-0108	N/A	609,979	
COVID-19: Emergency Solutions Grant Program	14.231	MW-36-0108	N/A	<u>609,979</u>	
Total Emergency Solutions Grant Program				<u>1,050,835</u>	<u>1,021,601</u>
Lead-Based Paint Hazard Control in Privately-Owned Housing:					
	14.900	NYLHB0695-18	N/A	<u>467,373</u>	
Home Investment Partnerships Program:					
	14.239	M-21-MC-360505	N/A	<u>725,142</u>	
Total Home Investment Partnerships Program				<u>725,142</u>	<u>630,289</u>
<b>Total U.S. Department of Housing and Urban Development</b>				<u>7,025,271</u>	
<b>U.S. Department of Justice</b>					
Direct:					
Edward Byrne Memorial Justice Assistance Grant	16.738	15PBJA-22-GG-02110-JAGX	N/A	<u>1,815</u>	
2022 Byrne Grant	16.753	15PBJA-22-GG-00111-BRND	N/A	<u>62,038</u>	
2020 Project Safe Neighborhood	16.609	2020-GP-BX-0041	N/A	<u>21,393</u>	
COVID-19: Coronavirus ESF	16.034	2020-VD-BX-1494	N/A	<u>13,333</u>	
<b>Total U.S. Department of Justice</b>				<u>98,579</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, 2023

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing</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 NYS Department of Transportation:					
Highway Planning and Construction Cluster:					
N, S, E, W Interconnect	20.205	375479	1000002582	657,172	
Downtown Mill & Pave (South Salina Street)	20.205	375606	1000002582	1,111,512	
Downtown Mill & Pave	20.205	375625	1000002582	296,146	
Creekwalk Phase II	20.205	375514	1000002582	4,400	
Hiawatha Boulevard Bridge Sidewalk	20.205	375584	1000002582	99,425	
17/18 Solar St/Hiawatha Blvd Improvement	20.205	375626	1000002582	21,689	
20/21 E. Colvin St. Paving TIP #	20.205	375682	1000002582	581,143	
19/20 PSAP Project	20.205	375649	1000002582	468,863	
18/19 W. Colvin St. Bridge Rehab	20.205	375657	1000002582	1,819	
19/20 E. Brighton Avenue Bridge	20.205	375651	1000002582	2,003,271	
19/20 W. Genesee Street Road Improvement	20.205	375624	1000002582	706,301	
Creekwalk Maint. Bridge/Creekwalk Improve	20.205	395074	1000002582	33,736	
E. Brighton Avenue Paving Project	20.205	375680	1000002582	112,885	
E. Colvin Street Paving Project	20.205	375681	1000002582	135,177	
19/20 Lodi St. Construction	20.205	395072	1000002582	43,476	
Total Highway Planning and Construction Cluster				<u>6,277,015</u>	
<b>Total U.S. Department of Transportation</b>				<u>6,277,015</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, 2023

Federal Grantor/Pass-through Grantor/Program Title	Assistance Listing	Grant Identifying Number	Agency or Pass-Through Number	Federal Expenditures	Provided to Subrecipients
<b>U.S. Department of the Interior</b>					
Direct:					
Natural Resource Damage Assessment and Restoration:					
Creekwalk Riparian	15.658	F20AC00292	N/A	162,428	
20/21 OnCreek Kay/Canoe Launch	15.568	F20AC10336-00	N/A	10,339	
Total Natural Resource Damage Assessment and Restoration				<u>172,767</u>	
<b>Total U.S. Department of the Interior</b>				<u>172,767</u>	
<b>U.S. Department of Homeland Security</b>					
Direct:					
Assistance to Firefighters Grant:					
FEMA, AFG 2020	97.044	EMW-2020-FG-11522	N/A	1,828	
FEMA, AFG 2021	97.044	EMW-2021-FG-01456	N/A	76,809	
FEMA Fire Prevention and Safety	97.044	EMW-2021-FP-00150	N/A	4,853	
Total Assistance to Firefighters Grant				<u>83,490</u>	
FEMA, 2020 SAFER Program	97.083	EMW-2020-FF-00730	N/A	684,739	
Passed-through NYS Office of Homeland Security:					
Homeland Security Grant Program:					
2021 Homeland Security (SHSP)	97.067	WM21152910	N/A	77,295	
2022 Homeland Security (SHSP)	97.067	SH22-1026-D00	N/A	17,479	
DHES FY2019 Critical Infrastructure	97.067	WM19834591	N/A	2,695	
DHSES FY2019 BOMB SQUAD	97.067	WM19152990	N/A	51,269	
FY20 Critical Infrastructure	97.067	CI20-1021-E00	N/A	24,109	
Total Homeland Security Grant Program				<u>172,847</u>	
<b>Total U.S. Department of Homeland Security</b>				<u>941,076</u>	
<b>U.S. Department of Treasury</b>					
Direct:					
COVID-19: Coronavirus State and Local Fiscal Recovery Fund	21.027	ARPA	N/A	33,906,907	
<b>Total U.S. Department of Treasury</b>				<u>33,906,907</u>	
<b>Total Expenditures of Federal Awards</b>				<u>\$ 48,421,615</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, 2023**

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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, 2023**

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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  No

Significant deficiencies identified?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  None reported

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?  Yes  No

Significant deficiencies identified?  Yes  None reported

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

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

Identification of major programs:

<u>AL Number</u>	<u>Program Title</u>
14.218	Community Development Block Grants/Entitlement Grants
21.027	COVID-19: Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs: **\$ 1,452,648**

The City was not considered a low-risk auditee for the year ended June 30, 2023.

**CITY OF SYRACUSE, NEW YORK**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023**

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**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:**

The City did not appropriately record entries to adjust investments to fair market value in accordance with GAAP, resulting in an understatement of cash equivalents.

Cash and deferred revenue were understated due to the exclusion of bank accounts in the City's name from the City's cash balances.

**Effect:**

Misstatements were identified and corrected as part of the audit. Totals of corrected misstatements in each opinion unit are summarized as follows:

<b>Opinion Unit:</b>	<b>Increase / (Decrease)</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Revenues</b>
Governmental Activities	\$ 3,052,520	\$ 378,230	\$ 2,674,290
General Fund	2,674,290	-	2,674,290
Aggregate Remaining Fund Information	378,230	378,230	-

**Recommendation:**

The City should ensure processes and resources are in place to allow for a timely and accurate financial close process and proper recording of transactions and adjustments at year end. Additionally, the City should establish a process to ensure that all bank balances are accounted for in the City cash balances.

**Response:**

The City experienced a change in leadership in the finance department and had a number of key vacancies in the accounting department during the fiscal year. The City is in the process of implementing more robust month-close and year-end accounting procedures. Additionally, an assistant director of accounting was hired in fiscal year 2024 to assist with financial close processes and procedures.

**CITY OF SYRACUSE, NEW YORK**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023**

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**Reference Number: 2023-002**

**Financial Reporting**

**Criteria:**

Internal controls over financial reporting should be properly designed, implemented and monitored to ensure that federal and state aid revenue and related expenditures are properly reported in accordance with generally accepted accounting principles in the United States of America (U.S GAAP).

**Cause/Condition:**

The City's internal controls did not operate effectively in order to track capital projects, the amounts to be claimed on open projects, and receivable amounts at year end.

**Effect:**

Errors in reconciling projects were identified that required management to revise supporting schedules and record material entries to properly state revenues and receivables related to capital projects activity.

**Recommendation:**

The City should review the controls in place over tracking and reconciling capital projects activity. Information should be reviewed frequently and ensure that the claiming process is tied to the financial reporting process.

**Response:**

The City is actively developing enhanced processes and procedures around capital asset management, including reviewing the current process and identifying potential technology enhancements. The City has expanded the Financial Operations department with the intent of tracking and reviewing capital projects on a more active basis. These new processes and procedures are part of a multi-year strategy to modernize internal controls over capital assets.

**CITY OF SYRACUSE, NEW YORK**

**Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023**

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

**Reference Number: 2023-003**  
**U.S. Department of Treasury**  
**COVID-19: Coronavirus State and Local Fiscal Recovery Fund 21.027**  
**Program Year: 2023**

**Criteria:**

Internal controls over compliance should be properly designed, implemented and monitored to ensure compliance with the requirements of federal award programs.

**Cause/Condition:**

Internal controls over procurement did not include a process to properly document the considerations and process when electing to award a contract to a sole source vendor and waive the competitive bidding process.

**Effect:**

Cases were identified wherein the City elected to waive the competitive bidding process based on a sole source vendor without retaining documentation of factors qualifying the purchase as sole source and efforts to obtain competition prior to approval of the purchase.

**Context:**

Sole source awards lacking documentation were noted in 2 of 25 disbursements selected for testing, as part of a non-statistical sample.

**Recommendation:**

The City should implement and use a standard process to document the justification of sole source acquisitions when full and open competition is not practical. This documentation should be included as part of the approval process when waiving the competitive bidding process.

**Response:**

The City is actively developing improved processes and procedures around procurement, including reviewing the current process and identifying potential technology enhancements. The City is currently in the process of revising the procurement manual to establish a standard process. Additionally, the City is undergoing additional training for all employees involved in the procurement process.